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JAN 10 1978

FBIS-LAT-78-2
Wednesday
4 January 1978
Vol VI No 2

DAILY REPORT

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LATIN AMERICA

Available for Distribution
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BUDGET IMBALANCE REPORTED DOWN 38 PERCENT

PY301906Y Buenos Aires LA NACION in Spanish 29 Dec 77 p 12 FY

[Text] After the first 11 months of 1977 the national treasury imbalance amounted to 570,398,000,000 Argentine pesos, from income of 1,611,037,000,000 Argentine pesos and expenditures of 2,181,435,000,000 Argentine pesos. This is reported in the statement issued yesterday by the Finance Secretariat on operations in November and since the beginning of the budget.

The deficit was financed in the following manner: Central Bank operations, 347,477,000,000 Argentine pesos; unified fund of official accounts, 159,372,000,000 Argentine pesos; documentation on the cancellation of debts, 17,984,000,000 Argentine pesos; cashier variations, 422 million Argentine pesos; short term operations, 330 million Argentine pesos; compensatory debt bonds under Decree Law No. 797/77, 18,509,000,000 Argentine pesos. [figures as published]

The report notes that "compared to the same period last year, there was a 38-percent decrease in the imbalance in real terms."

It was reported that between January and November, 1977, total income was 1,611,037,000,000 Argentine pesos, a 2-percent increase over the same period in the previous year. Current income amounted to 1,207,171,000,000 Argentine pesos (31 percent more than the same period in 1976); capital inflow, 355,960,000,000 (minus 45 percent); and other income 47,906,000,000 Argentine pesos (plus 365 percent).

During the first 11 months of 1977 total expenditures amounted to 2,181,435,000,000 Argentine pesos, an 11-percent decrease over 1976. In this case current expenditures amounted to 1,475,531,000,000 Argentine pesos (down 21 percent in comparison to the first 11 months of 1976); capital expenditures were 561,270,000,000 (up 44 percent); and others, 144,628,000,000 Argentine pesos (down 29 percent). [figures as published]

According to the Finance Secretariat, "the decrease in the imbalance results from the 2-percent increase in income, as well as the 11-percent reduction in total expenditures. Both figures are given in real terms."

In the growth of income, particular note is made of the increase in current income in real terms. Current income was 55 percent of total expenditures during the first 11 months of 1977, while the ratio for the same period during 1976 was 37 percent. The Finance Secretariat stated that this "reflects a major increase in genuine financing of expenses during the present budget."

There was a 32-percent increase of tax revenues, with the greatest increases in profit taxes, 63 percent: added value taxes, 47 percent; internal revenue taxes, 71 percent, and transaction taxes, 66 percent--all at constant prices.

The inflow of capital decreased in real terms by 45 percent, covering only 60 percent of the costs of financial servicing and amortization of the public debt.

The decrease of expenditures in real terms is the result of lower current payments (down 21 percent) and unbudgeted expenses (29 percent lower), although capital expenditures was higher (up 44 percent).

Up to 30 November, 1977, unpaid obligations amounted to 174,084,000,000 Argentine pesos as a result of current and capital costs of 160,926,000,000 and operating (personnel) costs amounting to 13,158,000,000.

The treasury imbalance during November, 1977, amounted to 11,144,000,000 Argentine pesos, from income of 286,553,000,000 pesos and expenditures of 297,697,000,000 pesos.

The November imbalance was financed internally in the following manner: Central Bank operations, minus [as published] 31,528,000,000 Argentine pesos; short term operations, minus 50,000,000 pesos; documentation on the cancellation of debts, 5,278,000,000; unified fund of official accounts, 30,000,000,000; cashier variations, 3,499,000,000; and compensatory bonds for debts under Decree-Law No. 797/77, 3,995,000,000. [figures as published]

Unpaid obligations for November decreased by 27,885,000,000 Argentine pesos because of decreases in current and capital expenditures of 19,141,000,000 Argentine pesos and in operating (personnel) of 8,744,000,000 Argentine pesos.

BRIEFS

OIL PRODUCTION UP--The Energy Secretariat issued a bulletin today which reports that Argentine oil production for the first 11 months of 1977 surpassed by 8.8 percent Argentine oil production for the same period of 1976. The volume of oil obtained from January to November, 1977, was 22,932,100 cubic meters compared to 21,047,200 cubic meters during 1976. The oil production during November surpassed oil production for the month of November, 1976, by 2.4 percent. The daily average oil production for November was 58,911 cubic meters, the highest production for all the months of the year with the exception of March, April and May in which production was over 69,000 cubic meters. Argentina imported 3,258,100 cubic meters of oil in 1977. Furthermore, commercial coal production during 1977 decreased by 11.9 percent in comparison with 1976 figures. Argentine coal production for the first 11 months of 1977 is 505,800 tons in comparison with the 574,200 tons in 1976. Coal production during November, 1977, was 44,700 tons in comparison with the 57,000 tons produced in November, 1976. [Buenos Aires TELAM in Spanish 0045 GMT 29 Dec 77 FY]

YPF DRILLING EXPERIMENTS--Government Oil Deposits reported that exploratory drilling will start today on a third well in the San Jorge Gulf Basin, located 17 kilometers east of Comodoro Rivadavia. [Buenos Aires Radio El Mundo in Spanish 1500 GMT 2 Jan 78 FY]

FUEL PRICES INCREASED--The Economy Ministry officially disclosed this afternoon the new fuel prices to be effective starting 1400 today. This brings the price of high-octane gasoline to 180 pesos per liter, and regular gasoline to 150 pesos per liter. [Buenos Aires TELAM in Spanish 1725 GMT 26 Dec 77 FY]

GROUP ACCUSES CHILE OF TERRITORIAL ASPIRATIONS

FY032030Y Paris AFP in Spanish 1841 GMT 3 Jan 78 FY

[Text] La Paz, 3 Jan--The National Maritime Council [CONAMAR], an organization supporting Peru in its position regarding the Bolivian demands for an outlet to the sea, stated here today that Chile continues with its arms race to occupy Bolivia's western territories.

CONAMAR stated in a document that Chile seeks to expand eastward at the expense of Bolivia, adding that Chilean territory is too narrow to sustain "President Augusto Pinochet's geopolitical plans." According to the Bolivian CONAMAR committee, Chile invested $300 million in arms during 1977.

POR SOCIALISTS APPEAL FOR BROAD LEFTIST FRONT

FY301400Y La Paz Radio La Cruz del Sur Network in Spanish 0200 GMT 30 Dec 77 FY

[From the "Facetas" program]

[Excerpts] During a press conference today the central committee of the (?proscribed) socialist faction of the Revolutionary Workers Party [POR] made a general appeal to leftist groups and parties, national Catholics, leftist-leaning military personnel, labor unions, the Bolivian Labor Central [COB], [words indistinct], peasants, students and intellectuals, asking them to form a single large front. The objective of this front would be to put into practice a program [words indistinct] with special economic measures in the country.

The POR faction indicates that the new stage which has been opened in Bolivia poses the need and the possibility of changes and economic and social (?reforms). It also indicates that the basis of the current, and former, government's failure is to be found in the [words indistinct] tradition of the economic policy, in other words, produce for export, compete in world markets. The POR faction proposes more agricultural and livestock production and the industrial processing of [words indistinct] in order to meet consumer needs and the welfare of all the population.

Regarding the restricted amnesty, their opinion is that it shows weakness and the lack of capability to accept a true democratic concentration. They are in agreement that there is a political vacuum in the country. The POR also made an appeal for a general mobilization in the following terms: [passage indistinct]

BRIEFS

DECREASE IN GROWTH--The national economic growth rate decreased 10 percent during 1977. The considerable decrease in the GDP growth rate, which is 6 percent for 1977 in comparison to 6.9 percent in 1976, is attributed to three main factors: the extensive drought, which affected important food supply areas throughout the nation, which eliminated tons of products from the national economic process; low oil production and declining exports, which eliminated major increases in foreign income for the country; and uncontrolled foreign financing of decentralized public enterprises, which had a negative effect on the growth of the GDP. [La Paz EL DIARIO in Spanish 20 Dec 77 p 1 FY]

GEISEL'S VISIT TO FRG SCHEDULED FOR 6-10 MARCH

PY040112Y Paris AFP in Spanish 2246 GMT 3 Jan 78 PY

[Text] Brasilia, 3 Jan--A Foreign Ministry spokesman indicated today that the visit which Brazilian President Ernesto Geisel is to make to the FRG from 6-10 March will permit the opening of a "supplementary stage of great importance for the strengthening of ties between the two countries." On the other hand, for Brazilian Foreign Minister Antonio Azeredo da Silveira this visit has "an eminently political connotation and an important symbolic value," the spokesman added.

In effect, he added that the bilateral cooperation process between the FRG and Brazil and the agreements between the two countries, especially the nuclear cooperation agreement signed in 1975, can be taken as models of the relations between a large industrialized country and a developing country.

ITAMARATY REACTS TO NETHERLANDS PREMIER'S REMARKS

PY040107Y Paris AFP in Spanish 2325 GMT 3 Jan 78 PY

[Excerpt] Brasilia, 3 Jan--A spokesman of the Brazilian Foreign Ministry indicated here today that in asking for guarantees for supplying Brazil with uranium, Netherlands Prime Minister Andreas van Agt merely reiterated "previous and already accepted demands." The spokesman emphasized that Van Agt's statement does not indicate any change in the behavior of the members of URENCO.

The URENCO, an European consortium made up of the Netherlands, the UK and the FRG, signed a contract a few months ago to supply enriched uranium for the Angra-1 and Angra-2 nuclear plants which are being currently built in Angra dos Reis, a city located 300 kms from Rio de Janeiro.

OPINIONS ON 1977 COFFEE POLICY DIVIDED

PY031646Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jan 78 p 1 PY

[Text] The policy put into practice by the Brazilian Coffee Institute [IBC] in 1977 benefited the balance of payments, the farmers and the other producing countries, and marked the beginning of Brazil's "coming of age as a coffee producer," according to the organization's president, Camilo Calazans de Magalhaes. That was possible because "Brazil is not what it was in 1954--that is, the Brazilian stand today is much more independent, allowing it to have a more aggressive policy not only in coffee issues but in other areas as well."

Producers and exporters from Sao Paulo, Santos and Curitiba did not look upon the sector's activity last year with so much optimism. The president of the Brazilian Rural Society, Salvio de Almeida Prado, said that if it weren't for the government's mistakes, revenue from coffee exports would total $5 billion instead of $2.7 billion. Exporter Bruno Sabia, while considering export results "brillant," expressed concern at the inconsistency of coffee policy and at increasing official influence in the sector.

GEISEL CRITICIZED ON POLITICAL, ECONOMIC APPROACHES

PY031230Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Dec 77 p 10 PY

[Editorial: "The Final Word"]

[Text] A tone of confidence in the economic strategy can be felt in the president's end-of-year speech telling Brazilians about what happened in 1977 and what he expects in 1978, although due to "negative circumstances" certain results were officially considered short of the mark and certain hopes were frustrated. However, the report on the negative aspects served to reassert the firm and decisive way President Geisel will maintain the economic strategy during his last year in office.

At the same time the tone of confidence did not prevent him from "being humble enough" to acknowledge that sometimes "we missed the right path." Nor did it prevent him from being proud of overall successes. There is, however, one historic failing worth noting: The president stated that Brazil was one of the countries "which immediately acknowledged the need to undertake a gradual, not violent, decleration of its economy." However, it seems Brazil was one of those which took too long to act. The stated reasons for the infamous Second National Development Plan (PND) confirmed that we lost valuable time in our awakening.

Supported by the results of the economic and financial policy, President Ernesto Geisel reasserts--although this is no surprise to us--that the coming year will be subject to the same severity in planning expenditures. The way he sees it, a significant reduction of inflation is still the main challenge to Brazilian society. It must be acknowledged that the 7-percent drop in 1977 inflation is considerably below the target figure. The sacrifices and restrictions imposed on society deserved a better result than that. This happened because for some reason there were differences in treatment. Public enterprises avoided, as everyone knows, the restrictions imposed on the private enterprises.

To continue "fighting inflation without pause," the first thing to do is to share the problems equally between the private and state-owned sectors. We should bear in mind that the president believes "our war on inflation is far from over" and that this struggle is a "major test of discipline for society." This should be valid for bureaucracy as well.

The president also states that he has nothing to add to what he said about political development in his 1 December speech. The consultation, and the consensus stemming from this consultation, "will mark well-defined courses and goals to be achieved through realism, prudence and security." However, if 1978 is to show the marked progress the president calls for, it will be necessary to increase the participation of society, which was called to make sacrifices and curb inflation while it was being neglected in the so-called April reforms.

Society now expects the tone of confidence with which the president spoke of the economy, to be extended to political development, since the society has a right to express itself regarding whatever is being done in its name but without its knowledge.

AIR MINISTER CITES DANGERS OF LIBERAL DEMOCRACY

FY040101Y Rio de Janeiro O GLOBO in Portuguese 30 Dec 78 p 6 FY

[Text of speech by Air Force Minister Gen Araripe Macedo at the Camaraderie lunch given to Air Force generals on 29 December in Brasilia]

[Excerpts] Generals: Was 1977 a year of stagnation or a negative year for the Brazilian Air Force? I would answer no to this question. Undoubtedly it was an arduous, difficult year of shortages, demanding a redoubled effort to achieve favorable results. We cannot analyze this year and disregard the Brazilian crisis caused by a worldwide situation. The government of the illustrious President Ernesto Geisel has staved off the crisis without throwing the country into a recession, by maintaining the conditions necessary for its social and economic development. The Brazilian Air Force [FAB] has managed to live with the restrictions imposed on it, setting priorities and concentrating its budgetary resources on the activities which are basic to the fulfillment of its constitutional responsibilities. But there are some who do not think that way and who want to take advantage of the difficulties implied in a crisis--an imported one at that--to promote subversive agitation, seeking to create the chaos necessary for the installation of a leftist dictatorship. These bad Brazilians insist on closing their eyes to the reality of the contemporary world which is exploding in violence, in kidnapings, in terrorism, and in religious wars in highly civilized areas, and even results in some sort of peaceful coexistance among the organized Mafia, those with deeply rooted racial prejudice and regimes which call themselves liberal and democratic. The FAB stands alert, watching so that those evils of a decaying civilization do not penetrate the country through the cracks of a pseudoliberal democracy which, vis-avis the strategy and tactics of international communism, would be an open door to the violent takeover of the nation by a communism which is opposed to its Christian and peaceful traditions.

The year 1977 was not a year of stagnation. Sizeable projects were carried out in several FAB units and organizations, particularly in the Air Force Academy. The airbases at Santa Cruz, Porto Alegre and Santa Maria were enlarged and modernized for the operation of F5-E planes. The Sao Paulo Aeronautical Factory [parque aeronautico] is being remodeled to be able to carry out the program of Mirage III planes' wing structure and sophisticated equipment control. In the field of social assistence, the FAB made large investments in the area of housing and hospital construction, resuming work for the completion of the large aeronautical hospital at Galeao which had been halted for about 8 to 10 years for lack of resources.

In the civil aviation sector, the construction of the second airstrip, 4,000 meters long and 60 meters wide, at Galeao International Airport is proceeding and it is expected to be finished by mid-1978. INFRAERO [Brazilian Airport Support Enterprise] expanded and modernized 23 airports under its responsibility, including frieght terminals in all of them. Third-level aviation [aviacao de terceiro nivel] was expanded and had its operational infrastructure consolidated, now regularly serving hundreds of Brazilian cities. The Air Force Ministry did not forget to give due support to airclubs, supplying them with Brazilian-made planes and sail planes, important factors in creating an interest in aeronautics among Brazilian youth.

Minister's Speech Criticized

PY031938Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Dec 77 p 3 PY

[From the "Notes and Information" page: "An inopportune and unjustified speech"]

[Text] Yesterday we recognized that President Geisel, although relegating politics to a secondary position, at least gave assurance to everyone by affirming that the solutions to our problems should be sought in "a pluralist and open society caught up in the midst of a growing process, without resorting to extreme and violent solutions," but today we are forced to raise a question as to the way of thinking which prevails in the government's upper echelons: that of his excellency the nation's president or that of the air force minister, who used the occasion of a fellowship luncheon for air force generals, his colleagues, to voice one of the most violent and unjustified diatribes against liberalism.

This time the liberal doctrine, which the nation used to forge its unity against foreign dominion, was no longer pointed out as a thing of the past deserving nothing but careful consideration by historians: This time it was pointed out as the factor responsible for the decadence of Western civilization, a decadence which "explodes in violence, in kidnapings, in terrorism and in religious wars in highly civilized areas, and even results in some sort of peaceful coexistance among the organized Mafia, those with deeply rooted racial prejudice and regimes which call themselves liberal and democratic." It has been a long time since we have seen in an official speech such a bunch of common phrases of such bad literary taste, with such strong ideological connotations intended to inspire "extreme and violent solutions."

These points are shocking in General Araripe Macedo's speech: The unwarranted attack on England (the reference to the Irish question is clear) and the even more unwarranted violent criticism not only of the U.S. Government but of U.S. society. Attacks against the Washington government have been frequent during this government, particularly since Jimmy Carter entered the White House. Although deplorable, those attacks were understandable in the emotional climate created by the U.S. opposition to the Brazilian-German nuclear agreement and by the denunciation of the human rights situation in Brazil. Never, however, has a general holding a ministerial post or a mere command post gone as far as the air minister, calling U.S. liberalism an accomplice of the Cosa Nostra and a promoter of racial prejudice. Minister Macedo's speech should therefore be taken as an indication that there are sectors in the armed forces which put the blame on liberal democracy for religious wars and organized crime and for being permissive with subversion.

Had times been different, we could forgive the abusive utterances of General Araripe Macedo and blame them on reasons of minor importance. However, since the attack against English and U.S. liberalism is taken as justification that a liberal regime should not be established in Brazil, we are forced to perk up our ears and listen. In the first place, why that inopportune reference to the United States? Values which have helped build the United States are being denounced when President Carter's visit is scheduled to take place in a few months. Those values are blamed for the decadence of the whole Western civilization. What was gained in exchange for that denunciation? What was its purpose? Was it just directed at the institutional decision to be made in 1978, or at a broader target?

Looking at it a different way, General Araripe Macedo's speech can be placed side by side with the also unwarranted attack Gen Jose Maria de Andrada Serpa once launched against the Brazilian economic model. [paragraph continues]

In the case of General Serpa, his nationalistic words still allowed intelligent discussion; in the case of the air minister, the question is not nationalism, but an animadversion so inappropriate at the level of cold reasoning that it admits no discussion.

The fact that we will not discuss his statement does not mean that we should not be on the alert against it. The minister must have reflected not only an antiliberal, but an anti-U.S.--and what is so serious, irrationally anti-U.S.--attitude in sectors of the armed forces. If that is the state of mind with which one of the armed forces' branches closes 1977 and begins 1978, we may conclude that difficult times lie ahead for us liberals and for all those who do not agree with the objectives of the civilization depicted by the air minister.

NEWSMEN DEMAND REINSTATEMENT OF PRESS FREEDOM

PY032347Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jan 78 p 5 PY

[Summary] "Full and unrestricted amnesty, the immediate cessation of irregular seizures similar to kidnapings such as those carried out against citizens suspected of anti-government activities, and the administrative and criminal liability of public servants who are involved in or permit this practice"--these are some of the 17 demands included in the document sent by the Brazilian Press Association [ABI] to the president of the Congress, Senator Petronio Portella."

The main points contained in the document will be disclosed tomorrow by the ABI's official publication, BOLETIM ABI, and the full text may be published later on.

The ABI's demands were divided into three categories--freedom of the press, human rights and civil liberties. The demands cover issues ranging from censorship to the constitution. The document states that the political and juristic reorganization of the country demands the reinstatement of popular sovereignty. The ABI believes the demands presented in its document are essential for the return of freedom of the press and democratization of the country.

"The first step towards that goal, in the ABI's opinion, is the repeal of the special and regular laws which today hinder the free expression of popular will. This measure should be followed by others destined to reconcile the country to itself by means of an unrestricted and full amnesty, the freedom of expression and organization so that all sectors of Brazilian society can offer their contribution to constitutional reorganization, and individual security, endangered by party activities practiced outside the law by organizations which violate international agreements made by Brazil in the field of human rights and the goals set by the government--which has already proven its zeal in this field--to insure respect for the essential guarantees deserved by man."

The main topics pointed out in the BOLETIM ABI are:

1. Full reinstatement of freedom of the press;
2. Immediate cessation of prior censorship imposed on publications such as TRIBUNA DA IMPRENSA, MOVIMENTO, O SAO PAULO, ELE E ELA, STATUS, REVISTA HOMEN and LUI;
3. Elimination of political screening for the granting of credentials for official acts coverage, especially those with the presence of the president;

4. Immediate suspension of prior censorship of news programs on radio and television;
5. Full reestablishment of freedom of verbal expression, especially regarding electoral advertisements by political parties;
6. Revision of laws regulating press offenses;
7. The establishment of an impersonal and exempt system of allocating publicity funds from official and state organizations to avoid the manipulation of these resources to control or restrain freedom of information and opinion;
8. Establishment of the Superior Censorship Council with the participation of public and private cultural institutions, among them the ABI, for the review of the restrictions imposed by the official censorship organizations;

B. [as published: No "A" given] Human Rights

1. Immediate reinstatement of habeas corpus in all cases of constraint of individual liberty without exception;
2. Respect for the physical and moral integrity of all prisoners, no matter what the nature of the alleged crime;
3. Immediate cessation of irregular seizures similar to kidnapings such as those carried out against citizens suspected of antigovernment activities, and the administrative and criminal liability of public servants who are involved in or permit this practice;
4. Respect for the legal disposition specifying that a prisoner's incommunicado status does not extend to his lawyer at any time while he is under arrest;
5. Establishment of a law specifying that a confession obtained from a prisoner without the presence of legal counsel cannot be used as evidence against him or to initiate judicial action;
6. Regularization of the Council for the Defense of Human Rights, the normalization of its meetings, and the review of the council's organization in order to avoid an official majority which may restrict the council's complaints.

BRIEFS

NUCLEBRAS INCREASES ITS CAPITAL--In a general assembly held yesterday, NUCLEBRAS increased to 4 billion cruzeiros the capital of the company, 1 billion cruzeiros more than it was up until now. [Rio de Janeiro O GLOBO in Portuguese 31 Dec 77 p 16 PY]

COMPULSORY TRAVEL DEPOSITS--Compulsory deposits for trips outside Brazil during 1977 totaled more than 2 billion cruzeiros. [Sao Paulo Cadeia Verde Amarela in Portuguese 1000 GMT 30 Dec 77 PY]

NEW WAR COLLEGE DIRECTOR--The Army Minister Gen Belfort Bethlem will preside over the swearing in ceremony of Gen Jose Fragomeni as new director of the Superior War College in Rio de Janeiro. [Aparecida Radio Aparecida in Portuguese 1430 GMT 26 Dec 77 PY]

AMBASSADOR TO LEAVE POST--Brasilia, 2 Jan--Antonio Delfim Neto, current Brazilian ambassador to France, will leave his post at the end of February, according to a spokesman of the Foreign Ministry. Delfim Neto plans to come back to Brazil to campaign for governor of Sao Paulo State. It is reported in diplomatic circles that Ramiro Saraiva Guerreiro, current Foreign Ministry secretary general, may be appointed to replace Delfim Neto. [Paris AFP in Spanish 2246 GMT 2 Jan 78 PY]

MORE COMMENTARY, INCIDENTS CONCERNING CONSULTATION REPORTED

2,000 Labor, Trade Leaders Briefed on Voting

PY311153Y Santiago Chile Domestic Service in Spanish 1630 GMT 30 Dec 77 PY

[Excerpt] "The country is giving us the privilege of defending its sovereignty and the unity of all Chileans," Secretary General of Government Gen Rene Vidal told business, professional and labor representatives when he talked to them about the forthcoming national consultation on 4 January.

The meeting was held this morning in the Government House assembly room, with approximately 2,000 representatives of the country's productive sectors attending. Misael Galleguillos, secretary general of the National Unions, acted as moderator. Col (Sergio Vadiola), director of civil organizations, was also present.

Manuel Valdex, president of the Production and Trade Confederation, was first to speak. He emphasized that history requires us as citizens to share responsibilities for a common destiny. He said: "It's like facing a large river: we have the option of building a bridge together or swimming across. The construction of a sure path for this and future generations depends on our united cooperation now and after 4 January. The decision we have to make is a personal one, but the risk belongs to all of us."

Manuel Valdez emphasized the danger of returning to a traditional political process after 4 years of sacrifice, when the country is recovering thanks to the tranquility and order which the government has imposed.

He categorically rejected those who want to impose policies from abroad. He said: "That is why we openly express our 'yes' vote for Chile."

Martin Bustos, president of the Chilean Maritime Confederation, spoke for the labor sector. He called on workers to vote loyally and patriotically so that the 4 January consultation will be a total victory. This will show the United Nations that Chilean will not be governed by remote control. Science invented remote control for objects, not for human beings and definitely not for Chileans, he said.

He also emphasized his belief that the workers of the world do not agree with the UN call for an economic boycott of Chile. Unfortunately, the workers of the world did not vote in the United Nations. If they had, the result would have been different.

Chilean workers "are going to vote 'yes' on 4 January because we are defending our country and not because we are voting against union leaders or the economic policy," he emphasized. "Here there is only one position--Chile or the United Nations--and when the country is being defended, a good Chilean can only vote 'yes'.

Navy Reportedly Will Not Boycott Consultation

PY030239Y Buenos Aires LATIN in Spanish 0109 GMT 3 Jan 78 PY

[Text] Santiago, Chile, 2 Jan--The Navy tonight "categorically and strongly" denied the report sent abroad from Santiago that the Navy will stay out of the consultation which will take place in Chile on Wednesday.

The Government Information Directorate said that "the Navy commander in chief strongly and categorically denied such reports included in the campaign of ill-disposed rumors which are being spread to confuse the citizenry."

According to a U.S. news agency, the Air Force and Navy would stay out of the consultation because they are not in agreement with it.

Leigh Denies Air Force Will Boycott Consultation

PY031606Y Paris AFP in Spanish 1423 GMT 3 Jan 78 PY

[Excerpt] Santiago, Chile, 3 Jan--Gen Gustavo Leigh, commander in chief of the Chilean Air Force, today denied that the Air Force will stay out of the national consultation called by President Augusto Pinochet.

Leigh, who is also a member of the government junta, said: "Although it is true that the Air Force has made observations with regard to the reasons behind the convocation to be held tomorrow, it has never thought of staying out of it because it believes that in this way it will better serve the high interest of the nation."

Mendoza Replies to Church Letter on Vote

PY031252Y Santiago Chile Radio Mineria Network in Spanish 0930 GMT 3 Jan 78 PY

[Text] Gen Cesar Mendoza [Carabineros general director and member of the government junta] has sent a letter to the Chilean Episcopate Permanent Committee in answer to that organization's request to the government that tomorrow's referendum be suspended or at least postponed.

General Mendoza thanked the bishops for their attention and courtesy, acknowledging receipt of the episcopate's letter and wishing the Catholic Church success in its Christian mission this year.

PDC Youth, Pro-Government Groups Clash

PY031337Y Santiago Chile Radio Mineria Network in Spanish 3 Jan 78 PY

[Text] Various incidents again took place on Ahumada Ave. in Santiago. More than 500 persons were involved all day in violent confrontations related to the national referendum.

Groups of youngsters from the dissolved Christian Democratic Party [PDC] demonstrated against the referendum called by the chief of state but were confronted by other demonstrators supporting the government.

Police acted vigorously and arrested several members of that dissolved political party, including (Guillermo Yunque), a former youth leader.

According to the police, the people arrested were released once their address were confirmed and court warrants were issued for a hearing in their local police courts on charges of public disorder.

Altamirano, in GDR, Terms Plebiscite 'Farce'

FY040120Y Paris AFP in Spanish 2317 GMT 3 Jan 78 FY

[Text] East Berlin, 3 Jan--Carlos Altamirano, secretary general of the Chilean Socialist Party [PS], said here today that the referendum called by President Augusto Pinochet is a "farce" organized without the least democratic guarantees.

In a statement released by ADN, the official East German news agency, Altamirano said that "Pinochet wants to do in a day what he did not manage to do in 4 years of terror and violence." He added that "this referendum would be legitimate and desirable if there were freedom in Chile and if there were democratic controls over the voting process."

The ADN report indicated that last November, Altamirano presided over a meeting of leaders of his party "who are carrying on with the underground struggle in Chile." The meeting was reportedly held in an unspecified Latin American country."

EL MERCURIO Says Opponents of Vote Will Fail

PY311458Y Paris AFP in Spanish 1354 GMT 31 Dec 77 FY

[Excerpt] Santiago, Chile, 31 Dec--The newspaper EL MERCURIO comments today that those who wish to take political advantage of the results of the coming consultation will fail.

"The armed forces have no need for a ratification of their 11 September (1973) takeover. Instead, they will give some leeway to an institutionalism which is in keeping with the declaration of principles formulated by the government junta on 11 March 1974."

The editorial emphasizes that "one of the positive fruits of these times of uncertainty and confusion is the realization that Chileans must again find a path they can all walk along."

PINOCHET INTERVIEW APPEARS IN BELGIAN NEWSPAPER

FY032350Y Paris AFP in Spanish 2107 GMT 3 Jan 78 FY

[Text] Brussels, 3 Jan--In today's issue of the Belgian economic newspaper L'ECHO DE LA BOURSE, there is an interview with President Augusto Pinochet in which he says that the armed forces will retain absolute power in Chile until 1980.

"The civilian population had requested and demanded that the armed forces take over power," said General Pinochet. Organized movements "such as political parties do not exist because they create schisms instead of uniting, and our country has a need for unity and tranquillity to attain a swifter progress," he said. The chief of state explained the current period as one of reconstruction and indicated that the second stage will be a transition which will allow the participation of civilians by means of a partially elected parliament.

The president said that "there are no political prisoners in Chile," adding that "by tradition and conviction our country respects man, at whose service the state must place itself." Regarding the political situation of his country, General Pinochet said that "in view of almost imminent civil war, certain rights had been supressed, but they will be reestablished once the conditions of the country allow it."

RELATIVES OF MISSING PERSONS END HUNGER STRIKE

PY0216l0Y Paris AFP in Spanish 1533 GMT 31 Dec 77 PY

[Text] Santiago, 31 Dec--About 80 relatives of missing Chileans today ended the hunger strike they began last Thursday in a Catholic Church.

The strikers said that their action was a protest because they had still not received any reports, which they had earlier demanded from the courts, regarding the whereabouts of their relatives. The relatives of the missing persons, all of them women, showed the traces of the hunger strike in their faces. They were greeted by several persons who came to San Francisco Church where they had held the hunger strike. The group delivered a communique to the press in which they say that "in calling for the hunger strike we are supporting the United Nations resolution because it is not an attack against Chile."

They also said "the resolution was a show of support by most of the nations and the peoples of the world for the determination of Chile and its people of guarantee complete respect for human rights and to safeguard personal liberties and guarantees."

THREE MIR MEMBERS REPORTEDLY DIE IN EXPLOSION

PY3113l5Y Paris AFP in Spanish 0220 GMT 31 Dec 77 PY

[Text] Santiago, Chile, 30 Dec--It was reported here that three members of the proscribed Movement of the Revolutionary Left (MIR) died in the north when a bomb they were manufacturing exploded.

According to a Government Information Secretariat (DIG) communique, the incident took place this afternoon in a house in the town of (Doiequimbo), 560 km northwest of Santiago.

Two of the victims were identified as Sonia Valencia and Mario Romero. It was impossible to identify the third victim because the body was destroyed by the explosion. It was reported that a fourth person, also not identified, tried to commit suicide with a knife.

According to the DIG, security forces found a large amount of explosives and Marxist literature at the site.

INE RELEASES STATISTICS ON INFLATION IN 1977

PY0302llY Paris AFP in Spanish 2053 GMT 2 Jan 78 PY

[Text] Santiago, Chile, 2 Jan--The National Statistics Institute (INE) reported here today that inflation in Chile reached 63.5 percent in 1977.

It indicated that inflation in December 1977 reached 1.4 percent, the lowest registered for a single month during the last 7 years.

At the same time, INE recalled that inflation reached 174.3 percent in 1976.

[Buenos Aires LATIN in Spanish at 0115 GMT on 3 January reports the same figures but gives inflation at 65.5 percent.]

OPPOSITION CANDIDATE RETURNS FROM TRIP TO CUBA

PA311215Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 30 Dec 77 PA

[Text] Bogota--Julio Cesar Pernia, an opposition presidential candidate, returned home unexpectedly today after spending a week in Cuba. The National Opposition Union-National Popular Alliance-Movement of the Liberal Left Coalition candidate said that if a candidate who can unite all leftwing groups shows up, he is willing to withdraw his candidacy. He seemed optimistic about the results, predicting that the February elections would bring a big surprise.

OPPOSITION COALITION APPEALS FOR PRISONERS' RELEASE

PA031337Y Bogota Radio Santa Fe in Spanish 2330 GMT 2 Jan 78 PA

[Text] Bogota--The release of about 400 members and sympathizers of a national leftwing opposition group who were arrested upon orders issued by military chiefs in Uraba, Antioquia, has been demanded tonight. Almost all those people are being held at the (Maporita) base, a document issued jointly by the National Opposition Union-National Popular Alliance-Independent Liberal Movement [UNO-ANAPO-MIL] Coalition reports. [sentence indistinct] The document calls for the prisoners' release and full guarantees in the area where, it notes, political repression was ordered following the death of two police officers at the hands of unidentified individuals or alleged guerrillas.

The coalition also asked chief of state Alfonso Lopez Michelsen today to use his good offices so that 23 persons who were arrested in Uraba upon orders by the military mayor would be released. In a document recently forwarded to the president of the republic, the coalition notes that its members are being persecuted in this part of the country in open defiance of the presidential statements calling for impartiality during the upcoming elections.

The UNO-ANAPO-MIL Coalition also says that the political leaders who have been arrested were charged with involvement in the killing of two police officers in mid-December and with other (?crimes) which are under investigation. The coalition says that the crime was not committed by any opposition members as the military mayor and the military garrison commander claim.

SECURITY FORCES RESCUE TWO KIDNAPED BUSINESSMEN

PA311225Y Bogota Radio Super in Spanish 2337 GMT 30 Dec 77 PA

[Text] Police officials have just confirmed the result of [words indistinct] Carlos Pacheco who has just been rescued after being held by kidnapers for several weeks. It also reported that in a special operation by combined F-2, Administrative Department of Security and police forces businessman Nathan Ganitsky, who was kidnaped 2 months ago, was rescued.

It was revealed that the rescue operation took place near the [words indistinct] race track. The police reported that the two kidnap victims were rescued safe and sound. The news has brought joy and a ray of hope to the business sector and the people of Bogota.

Kidnaped Industrialist Rescued

PA311225Y Bogota Circuito Todelar in Spanish 0130 GMT 31 Dec 77 PA

[Excerpts] This is a report from the Bogota neighborhood of [word indistinct] where an operation is currently being carried out to capture the gang of kidnapers which had been holding industrialist Juan Martinez, who was rescued by the F-2 tonight.

There are apparently two or three members of the gang in the house where Juan Martinez, industrialist and owner of several hardware shops in Bogota, had been held. Martinez was kidnaped on 9 November, 1977, by eight men armed with machineguns. Today has been a very positive day for the authorities who are fighting the crime of kidnaping, which had kept the Colombian people tense and nervous during the past few weeks.

FARC GUERRILLAS TORTURE, MURDER FOUR PEASANTS

PA242034Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 24 Dec 77 PA

[Text] Bucaramanga--Several members of the self-styled Revolutionary Armed Forces of Colombia [FARC], a guerrilla organization, today appeared in an area between Santander and Boyaca and murdered four peasants. The subversive group, which was carrying automatic weapons and wearing uniforms like those exclusively used by the military, captured peasants Cisnardo Gonzalez, Jose Daniel Camacho, Octavio Gonzalez and Hernardo Narciso. After torturing them, the guerrillas riddled them with bullets.

The guerrilla raid took place between the villages of Puente Nutrias and Paragua, Puerto Boyaca jurisdiction.

According to Hector Gomez, our correspondent in Santander, after murdering the four peasants, the guerrilla group fled to the mountains, leaving behind a large number of subversive pamphlets.

Troops of the 1st and 5th Brigades have launched an encircling operation in the area in an attempt to capture the guerrillas. At noon today, however, no contact had been reported with the subversive group.

Over the past 6 months, the FARC have massacred 16 peasants in the Santander area.

FARC Intensifies Guerrilla Warfare

PA311220Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 30 Dec 77 PA

[Text] Bogota--The self-styled Revolutionary Armed Forces of Colombia [FARC] today confirmed the existence of a new guerrilla group which operates in the southern part of the country. This group, which has been identified as the guerrilla activity forces [fuerzas de accion guerrillera], is linked to the FARC. It carried out its initial activities 2 weeks ago in Villa Garzon, El Putumayo.

Manuel Marulanda Velez, also known as Tiro Fijo, top FARC leader, today released an underground brochure announcing the intensification of guerrilla warfare by the seven fronts of the Maoist seditious movement.

ECONOMY MINISTER REVEALS FURTHER BUDGET DETAILS

PA292003Y Buenos Aires LATIN in Spanish 2027 GMT 28 Dec 77 PA

[Text] Quito, 28 Dec--In its last cabinet session for this year the Ecuadorean Government approved the 1978 fiscal budget which has an initial deficit of 2.1 billion sucres (about $80,000).

At the end of the meeting yesterday, Economy Minister Santiago Sevilla disclosed that expected revenue for 1978 amounts to 22.19 billion sucres (almost $900,000), and expenses and investments to 24.3 billion sucres.

Education was one of the sectors that benefitted most, with 25.1 percent of the expected total budget outlay.

General services have a slightly higher percentage than the education sector, followed by national defense, transportation and communications.

The emphasis on education is designed to continue the official campaign against a 27 percent illiteracy rate that is considered one of the main obstacles to the nation's development.

As in the last 5-year period, the main source of revenue will be petroleum, followed by agricultural and livestock products such as cacao, bananas and coffee which formerly were the bulwarks of Ecuador's economy.

The expected fiscal deficit for 1978 will be less than that of the present year, which amounted to over $120,000.

This reduction will be made possible by the raising of the sales tax from 4 to 5 percent, the minister explained.

POVEDA BURBANO ADDRESSES DIPLOMATIC CORPS

PA040253Y Quito Radio Cadena Nacional Ecuatoriana in Spanish 2300 GMT 3 Jan 78 PA

[Excerpt] The members of the Supreme Council of Government, Vice Adm Alfredo Poveda Burbano, Gen Guillermo Duran Arcentales and Brig Gen Luis Leoro Franco at noon today received the new year's greetings of the diplomatic mission chiefs, the heads of international organizations accredited in Ecuador, and the cabinet ministers. In acknowledging the greetings, Vice Adm Alfredo Poveda Burbano said that the new year permits everyone, the rulers and the ruled, [words indistinct] to make an inventory of the past year's events, especially to channel it properly (?without previous errors committed after evaluating the purposes and actions).

He added that, in the year that is starting now, the nation, by fulfilling the promise made by the armed forces, is heading toward the reestablishment of its democratic life. The government of Ecuador, fulfilling its promise, has been honestly and sincerely implementing the plan to return to constitutionality and hopes that it will be completed so that the Ecuadorean people, as owners of their own destiny, will continue to develop [words indistinct] to which we have an evident right, politically, economically, institutionally and socially.

ADMINISTRATIVE REFORM, NEW CABINET GO INTO EFFECT

PA032017Y Paris AFP in Spanish 2133 GMT 2 Jan 78 PA

[Text] Lima, 2 Jan (AFP)--The Peruvian Government's administrative reform, which reduced the number of ministries from 18 to 15, went into effect today, the first working day of the year.

According to the reform the Agriculture and Nutrition Ministries were incorporated into one ministry. The same occurred with the Industry and Tourism and Commerce and Integration Ministries. The measure was adopted on 20 December to rationalize the ministries' functions and make them more flexible as well as for austerity reasons. The government has declared 1978 as the year of austerity.

The Agriculture and Nutrition Ministries were combined because the government believes that this will help the marketing of food products, which it sees as the main agricultural problem.

Besides the savings made, the new Industry, Commerce, Tourism and Integration Ministry will also help rationalize and speed up the solution of the problems of the industrial, import and export sectors.

The new Peruvian cabinet is composed of the following persons:

Interior Minister	Gen Luis Cisneros
Foreign Minister	Jose de la Puente (civilian)
War Minister	Gen Guillermo Arbulu (prime minister)
Navy Minister	Vice Adm Jorge Parodi
Aeronautics Minister	Gen Jorge Tamayo
Ecoromy and Finance Minister	Gen Alcibiades Saenz
Education Minister	Gen Otto Elespuru
Health Minister	Gen Oscar Davila
Labor Minister	Gen Jose Garcia Calderon
Transportation and Communications Minister	Gen Elivio Vannini
Energy and Mines Minister	Gen Juan Sanchez
Housing and Construction Minister	Rear Adm Geronimo Cafferata
Fisheries Minister	Rear Adm Francisco Mariategui
Agriculture and Nutrition Minister	Gen Luis Arbulu
Industry, Commerce, Tourism and Integration Minister	Gen Gaston Ibanez.

BRIEFS

NEW AEROPERU ROUTE--Lima, 26 Dec--AERUPERU, the state-owned commercial airline, has begun flights to Bogota and Caracas. Upon announcing the inaugural flight, the president of the airline announced the formation of an air pool with the Venezuelan airline VIASA. The Colombian AVIANCA airline will also be invited to join. [Paris AFP in Spanish 2325 GMT 16 Dec 77 PA]

VL 4 Jan 78 VENEZUELA

PRESIDENT PEREZ ON NEW YEAR'S MESSAGE

FBIS21447Y Caracas Domestic Service in Spanish 2205 GMT 1 Jan 78 PA

[New Year's message to the nation by Venezuelan President Carlos Andres Perez from the Sol del Peru hoom at Miraflores Palace in Caracas on 1 January 1978--live]

[Excerpts] On the first day of 1978 I hereby present the traditional new year's message to all my fellow citizens and the foreigners who live and work in our country in brotherly union with us. With enthusiasm and renewed optimism we begin this new year, the last of my term. We will draw a balance of my 4-year term at this time so as to better prepare ourselves to undertake the final stage of this administration whose work we can proudly display before the critical eye of those who live in this country and the international public. My administration has left and will continue to leave deep marks because of the enormous changes that can already be noticed throughout the country. These changes have won me the nation's trust and have become my most profound satisfaction and best motivation as I begin the last year of my administration.

The nationalization of iron and oil, the modernization of financial and tax laws, the Venezuelan state's institutional reform, the administrative reform, the rapid expansion of development, the transformation of poultry raising methods, the full employment policy, the country's industrialization process, the renewed interest in the provinces, the granting of state loans to craftsmen and small industry owners, the big infrastructure projects, the construction of homes for the poor and the lower-middle class, the amendments to the laws on labor and civil service careers to include seniority, layoff payments and the payment of interest on social benefits as labor rights, the construction of hospitals and health centers, and the successful defense of health and the environment are all indisputable accomplishments of a [word indistinct] administration.

As I address Venezuela on the first day of 1978 I do so with the optimism that stems from and is nourished by the very good prospects open to our country due to the work performed during the past 4 years in which the government has tried to enrich Venezuela. This is the result of the work of all Venezuelans and the foreigners who live in our country. We are all demonstrating the desire and the ability to build a great nation.

In 1977 the national economy grew with the same dynamism of the 3 previous years. It has been an intensive and sustained growth which is unprecedented. It is in accord with the objectives that we set before us and which we promised when we asked Venezuelans to vote for us. All economic indicators show that the process which has invigorated the national economy continued throughout the year that concluded yesterday. The rate of expansion of the various sectors' activities from 1974 to 1977 has remained at a 10 percent average yearly rate. The employment level and the demand for labor have exceeded the estimates of the fifth national plan as well as the estimates of the increases in domestic demand.

The economy has been characterized by a powerful recovery in farming after the drop in 1976 due to adverse weather conditions. It exceeded the figures obtained in 1975 which had been the best year in the history of national poultry production. It has been marked by a sustained, rapid growth in the construction rate, particularly in the countryside where, as we had planned, most construction works have been carried out. It has been marked by the strengthening of public investments since the huge state-run industrial projects and the big infrastructure works are already being implemented.

It has been characterized by the continuation of the dynamic expansion of the industrial sector, spurred by the process of increasing revenues in the public and private sectors and the increase in popular consumption due to the strengthening of poultry production, industry, services and the full employment policy. It has also been characterized by the curbing of the inflationary process, holding it to a rate similar to that of last year. This last achievement is the result of an ongoing, outright struggle against certain factors and pressures on the national economy from within and outside the country which tended to raise prices.

The most important thing is that the economic results of the past 4 years, especially in 1977, have been achieved without changing the conservation policy concerning oil and iron exploitation and exports of these items.

The boom, the social welfare that this new Venezuelan reality has brought about can be measured by the fact that private consumption has exceeded the estimates of the fifth national plan. This is how the difficulties that the country has experienced due to an excessive demand of basic commodities can be explained. The heavy pressure which (?leads to) the increase in demand and investment within a developing economy necessarily causes internal inflation, which is an addition to the international inflationary process. I have always firmly averted this situation and you can see the results in the Central Bank indicators which show that the inflation rate is similar to last year's rate, that is, between 8 and 9 percent, in spite of circumstances that could have led to higher inflation.

The measures adopted in July by the national government and the Central Bank have reduced inflation and speculation--especially in the real estate sector--without weakening the construction sector, which on the contrary continues to grow, especially in the country's interior. This will have a very good result in the housing construction sector. Monetary regulations have not adversedly affected production investments. The trend toward liquidation of assets, which had appeared in the first quarter of last year, has been reduced.

The year 1977 was one of rapid development. This was also true in the year 1974, 1975 and 1976. However, these achievements have created many difficulties and situations that have been the source of tension and alarm, the inevitable results of the great transformation underway in Venezuela.

The people have been especially concerned with the public debt, which has been necessary in order to carry forward and without interruption the development programs. This has provided fuel for the criticism of opposition parties.

When one speaks about a debt that is so unprecedently high in our country, it is forgotten that we have had 4 years of continuous and rapid expansion the Venezuelan economy and that during these years there has been an increase in benefits thanks to the favorable situation resulting from the oil [word indistinct] in the international market. Also during this period, unprecedented efforts have been made to modernize, expand and integrate production plans in order to guarantee continuous growth in the production of goods and services, a better standard of living for the people and the establishment of a national industry that is great because it is nationally owned and because of its capability to supply itself. This has gone hand in hand with development efforts in the countryside and in the provinces which, traditionally, had been forgotten.

In the fifth national plan, oil exploitation has been programmed to meet the basic financing needs of imported investments in key sectors so that the resources invested will draw a large revenue, and so that the financing of foreign investments, including capital goods and technology, will be complemented by other foreign loans. The decision to pursue the programmed investments by securing loans should be viewed in the context of these economic policy objectives.

The impact of the conservation policy can be seen if we refer to the rate of oil exports in 1974, which totaled 1,022 billion barrels because my administration reduced the production rate. That means that we did not export approximately 250 million barrels in 1975 and 235 million barrels in 1976. In all, we have saved 485 million barrels of oil, in addition to 240 million more barrels in 1977.

This reduction in the export rate means that the country failed to earn about 5.5 billion in 1975 and 1976, in addition to another $2.7 billion in 1977. These [word indistinct] estimates show how by curbing the conservation policy--causing irreparable damage to future generations--we might draw higher revenue and perhaps have no debts.

The conservation and financing policies have resulted in increase crude reserves. The theoretical [word indistinct] of crude reserves doubled between 1973 and 1976, increasing from 11 to 22 years, thus reserves increased by more than 4.5 billion barrels. This is why we have a firm and sustained [development] rate in Venezuela. This basis of the economy and the backing of the bolivar as a foreign exchange currency lies in the oil reserves, the seriousness of the policy of continued oil exploitation and the sustained efforts to expand and promote the national economy, as my administration has been doing.

The country's assets, which have been transformed into oil industry plants, metallurgy plants, aluminum plants, coal mines, electrical plants, shipyards, dams, water supply systems, roads, and various industries, are the country's development potential. They are also the country's guarantee of solvency to tackle the commitments made in order to carry out these investments. In 1978, Orinoco Mining and Steel [SIDOR] Plan No. 4 plants and the aluminum plants in Alcazar and (Lanuri), among others, will begin to draw revenue in order to pay state debts. Add to this the exports of the private industries which are now fully operational.

A debt can only be justified if the flow of future profits derived from it is greater than the sacrifice that it will cause in the social welfare sector. This means that a debt depends on what it is used for. We have to ask ourselves whether the projects that we are undertaking today will result in a greater possibility of producing goods and services, jobs and welfare for Venezuelans today and tomorrow.

The best insurance for the investments that we are undertaking with our resources and those derived from public credit is that our access to the international financing market has taken place not because of demands but because of continuing offers by the large international consortiums. The loans that we have secured and the bonds that we have issued have been carried out under the best international market conditions. In some cases, in fact, the credit conditions have been unprecedented. This can certainly make us optimistic about our development programs.

I have no doubt that the vision and daring work of the government in this field has begun to draw benefits that will grow as the large projects become operational. Aside from that, the strong inflationary pressure of the international economy, especially in the industrialized countries that supply us with our imported capital goods, is already raising the value of national assets far above their original cost.

This is the true potential of the nation's resources which will enable us to face the obligations we are acquiring. Otherwise, we could not undertake these projects without sacrificing the oil reserves, which are worth much more than the interest payments we have to make for contracted debts. This is another important aspect: From the financial viewpoint, a debt is recommendable as long as its cost is lower than the income expected from the investment. I think that no one has the slightest doubt about the results that can be expected. The private sector of our economy has spoken on the subject. It has pointed out the difficulties, obstacles and dangers inherent in the development process we are carrying out, but it has also stated its confidence that the results will be fully satisfactory.

The nation's payment capacity cannot be viewed statically. It must be related to the increased capacity to generate funds based on production increases, the new dimension of the physical infrastructure administered by the government, the increased internal tax revenue--which raises the potential and necessary tax load--and the growth of private activity which, directly or indirectly, receives benefits from the state in the form of external savings created by investment or through the transfer of public sector resources. It is precisely this which determines the nation's solvency in facing the servicing of the public debt.

A similar situation is experienced with the availability of international means of payment to cope with foreign exchange outlays. We have no reason to be concerned with a deficit balance in current expenses. Foreign exchange is immediately transformed into machinery and equipment we do not have and must import. But it is these same investments that will enable us to save foreign exchange in the future, when we are in a position to produce a greater proportion of the goods we now import and when we are able to meet the objective of exporting our natural resources with a higher profit for the nation, as will begin to occur this year with the aluminum from ALCASA and BENALUM and with the plants of Sidor's Plan No. Four and other enterprises.

In the very near future, thanks to our decisions, the plants we are constructing will permit us to retain the thousands of millions of dollars we lose today in exchange terms, exporting raw materials at laughable prices in order to reacquire them in costly manufactured products.

In this abbreviated report on my administration's work in 1977, which I present as an optimistic New Year's message to the Venezuelan people, we cannot gloss over international policy, which in our time is vital to strengthen the nation. There is no possibility today for countries to be genuinely independent and sovereign without upholding the Third World's decision to struggle for a new international economic order, and where we are concerned, without upholding Latin American integration.

Our serious, aggressive and coherent international policy has been quite successful during my administration. In 1977 the visit to the Middle East produced extraordinary results regarding our rapprochement and consolidation of friendship with OPEC nations. It also had concrete results in contributing effectively to solving the problem created at the DOHA meeting, during which a split developed on the setting of oil prices.

My frank dialog with President Carter and his staff on the Third World, Latin American integration, the Panama Canal and especially on the new international economic order marked an important milestone in our relations with that great nation of the North. My recent trip to Brazil opened invaluable prospects for Latin American integration and for the initiation of talks regarding the Amazon Pact in which Andean Pact nations, as well as Guyana, Surinam and Brazil, will participate.

It was also invaluable in regard to bilateral relations, which our country could not continue to maintain at such a low level of importance because Brazil is the largest nation in Latin America, occupying half of the region's territory and having a population of 110 million inhabitants. A new, promising stage has been opened in our relations with Brazil, and the nation's private sector shares this optimism.

In the Andean Pact, the definite consolidation of this far-reaching integrationist experience has been achieved. The approval of the automotive program is a victory in which Venezuela played a very active and decisive role.

Our country has just been the scene of the 50th OPEC Conference. Many comments and different opinions have been expressed on the conference results. I can tell the nation with complete satisfaction that even though in the OPEC meeting we were not able to obtain the petroleum price increase justice demanded--in view of the decrease in the purchasing power of a barrel of petroleum because of world inflation and the depreciation of the dollar--OPEC's unity was not undermined. A decision on prices was only postponed for an extraordinary conference and without adopting a freeze on prices, which big industrial powers advocated fiercely and pressed for.

Venezuela had the honor of making a proposal that will be considered at the extraordinary conference. As I said in my speech, it could not be discussed at the 50th OPEC Conference and had to be submitted to the sovereign chiefs of state of the other 12 nations for their consideration. Nevertheless, three of the OPEC nations received authorization to support it before the sessions ended. Although the proposal does not seek to obtain an increase for exporting countries, it will be an important step in the North-South controversy in defense of the Third World countries burdened by an immense debt which has almost totally compromised their purchasing ability. This has contributed to the world economic crisis, because industrialized nations have suffered a decrease in the markets that would permit them to revitalize their production and reactivate their economies.

In my 1976 New Year's message I said: What happened during the OPEC meeting in Qatar is a warning that should make us meditate. At the same time it forces us to think that the petroleum bonanza cannot be long-lasting, even though in the short term there is nothing to fear. My warning still stands, although it does not imply pessimism in the short term. Everything depends on the continued solidarity of the developing nations as brought about by the brutal strategy of the developed nations that do not want to understand that the division of the world between exploiting and exploited nations is over. Here lies the importance of my proposal which commits OPEC to the nations of the Third World.

The outlook for the dialog between industrialized and developing nations is not optimistic. International injustice continues to prevail and the world economic order continues to be delicate. Efforts must be redoubled to reach agreement on the irrefutable fact that only a new international economic order which is just and interdependent can rescue the world economic order from the grave crisis in which it continues and will continue even if petroleum prices are frozen throughout 1978.

The year that begins today offers aspects which give many cause for concern. It is an election year and it is evident that the controversy between parties will increase, but it is also understandable that this should be so. I have the greatest confidence in the responsibility of the candidates, party leaders and Venezuelan parties that, as in 1973, they will conduct an election campaign in which, without renouncing the criticism, positions and proposals they desire, they will maintain an atmosphere of coexistence with the common understanding that democracy has bases and foundations binding on everyone.

It is time to make a sincere and broad appeal to all sectors of the national political community for the election campaign to be a high-minded civic event, in which Venezuela's positive values are reaffirmed.

I hope that this year naturalized Venezuelan citizens will receive the rectification owed them by the fatherland. I am referring to the constitutional amendment I campaigned for and which is presently being considered by Congress. Its approval will be an act of justice that will stimulate and encourage those who came from other lands to be our sons and who contribute with their effort, will, work and the fruit of their love to the construction of this great Venezuelan fatherland.

I conclude my message with a broad and fraternal greeting to all my fellow citizens and to the foreigners who accompany us in the hard task of development. To the representatives of friendly nations I extend a respectful greeting and a promise of support in the struggle for international peace and justice. Let my words bring to all the men and women of this free and friendly country the message of creative action, of renewed hopes, of harmony and confidence which the national government sends you in this day of peace. Let us now get to work.

LIBYAN AMBASSADOR TO VENEZUELA DENIES CUT IN OIL PRICES

PA031557Y Caracas Radio Continente Network in Spanish 1000 GMT 3 Jan 78 PA

[Text] Libya will not sell its petroleum at a price below the one stipulated by the OPEC, Libyan Ambassador to Venezuela Husayn ash-Sharif has said.

He denied yesterday's report by an international news agency to the effect that Libya plans to moderately reduce its petroleum price, placing it below that of the OPEC.

The Libyan ambassador said his country supports the position of increasing the petroleum prices by 15 to 23 percent.

ENERGY MINISTER TAKES CONDOLENCE MESSAGE TO KUWAIT

PA031540Y Caracas Radio Continente Network in Spanish 1000 GMT 3 Jan 78 PA

[Text] Venezuelan Energy and Mines Minister Valentin Hernandez Acosta traveled to Kuwait last night. It was reported that he is taking a special message from President Carlos Andres Perez to the Kuwaiti Government. The message expresses the Venezuelan Government's condolences over the death of Amir Sabah as-Salim as-Sabah.

As is known, Kuwait is a member of the OPEC.

BRAZILIAN TEAM ARRIVES TO MAKE GEISEL VISIT

FL032127Y Mexico City INFORMEX in Spanish to ANSA Buenos Aires 2114 GMT 3 Jan 78 FL

[Text] Mexico City, 3 Jan (ANSA-INFORMEX)--A delegation of top officials of the Brazilian Government arrived in this capital yesterday to make arrangements for the arrival of President Ernesto Geisel, which is scheduled for 14 January.

Joao Augusto Medicis, who heads the 30-man delegation, has declared that he came to Mexico to "make arrangements" for the first meetings between Geisel and Mexican President Jose Lopez-Portillo. Medicis warned, however, that the members of the delegation are not authorized to make political or economic statements.

The last official visit by a Brazilian president was in 1962 when Joao Goulart came to Mexico. Mexican President Luis Echeverria visited Brasilia in June 1974.

DISTURBANCES OCCUR IN OAXACA OVER PRI MAYOR

PA031926Y Mexico City Radio Programas de Mexico in Spanish 1720 GMT 3 Jan 78 PA

[SERCANO Network]

[Text] Mexico City, 3 Jan--The army and the police have strengthened their vigilance in five municipalities of Oaxaca. The municipalities are Santa Maria Tecomavaca, Guadalupe (Etla), Tehuantepec, (Jutila) and (Miguel) Hidalgo. The people of those municipalities seized the municipal palaces and threatened violence if the Institutional Revolutionary Party [PRI] imposed its mayors. In Juchitlan, the merchants estimated losses of 20 million pesos resulting from looting concerning discontent over PRI Mayor Javier Lopez (Cente). Lopez took office on Sunday amid disturbances in which, it was reported, two persons were killed.

PEMEX ANNOUNCES 1982 PETROCHEMICAL PRODUCTION PLANS

FL292205Y Mexico City INFORMEX in Spanish to ANSA Buenos Aires 2110 GMT 29 Dec 77 FL

[Text] Mexico City, 29 Dec (ANSA-INFORMEX)--Mexican Petroleum's [PEMEX] Office of the Commercial Assistant Director has announced that national petrochemical production in 1982 will amount to 18.8 million tons. The announcement is most encouraging since that production only amounted to 5 million tons in 1977. PEMEX also announced that 45 petrochemical products will be in production in the next 5-year period instead of the present 38. This will require that the number of processing plants be increased from the existing 60 to 115. According to the enterprise's plan, it will be the first time that such important products as high density polyethylene and propylene byproducts--which are the raw materials used to produce phenol--soft and hard foam rubber, leather substitutes, paint components, adhesives and finishings for the textile and furniture industries are produced.

GENERAL APPOINTED AS NEW AMBASSADOR TO GUATEMALA

PA302002Y Panama City ACAN in Spanish 1721 GMT 30 Dec 77 PA

[Text] Guatemala City, 30 Dec (ACAN-EFE)--Brig Gen Rafael Macedo Figueroa will be the new Mexican Ambassador to Guatemala, the Foreign Ministry disclosed today. Macedo Figueroa will replace Emilio Calderon Puig, who held the post for the past 7 months.

BELIZE

LOSS OF 225 SQUARE MILES SEEN IN BRITISH PLAN

FIO21740Y Belize City THE REPORTER in English 25 Dec 77 pp 1, 7 FL

[Text] According to a report appearing in last Sunday's Miami HERALD, Britain is now prepared to let Guatemala have some 225 square miles of Toledo District of Guatemala is prepared formally to drop her claim to the rest of the country.

The HERALD quoted a "recent report from London" as its source of information, and reported that apparently there has been prssure from both London and Washington on the Government of Belize to cede this piece of land.

This is the first indication Belizeans have had of what the British press have been referring to as a "small piece of territory."

Two hundred and twenty-five square miles along the Sarstoon River would amount to a 10 mile wide strip of territory starting at the western frontier near Garbutt's Fall and proceeding east to the deep waters of the Caribbean. It would take in the principal Indian villages of Crique Sarco and Doloro and the coastal Garifuna village of Barranco.

Premier George Price has yet to make a statement about the British proposals. He has not consulted with the opposition, whose leader Mr. Dean Lindo has since had a meeting with Mr. Ted Rowlands in Mexico City. At a public meeting last Friday night, Price made vague charges about pressures from unidentified source who favour a land give-away, but he said nothing whatever about his talks with Rowlands in New York.

A British Foreign Office spokesman has told the British press that the Government of Belize has been kept informed of the British proposals every step of the way.

Reports from Mexico City say Mexico is opposed to Belize giving up any part of her territory to the Guatemalans, and it is now generally accepted that Mexico will put forward her claim to part of Belize if the Guatemalans are allowed to get a piece.

Mr. Ted Rowlands, who flew to Mexico last week to explain the newest British proposals, spent five hours with Mexico's foreign minister, Santiago Roel.

The British have been insisting that no deal will be made with the Guatemalans unless the government and people of Belize approve. But according to the interpretation of the Governor, Mr. Peter McKentee, this simply means that Whitehall will consult the national assembly in Belize.

Belize's mainland territory measures 8,401 square miles, with the offshore islands, the largest of which are Ambergris Caye and Caye Caulker, making up the total of 8,867.

Toledo is the largest district of Belize, with 2,125 square miles of area and some of the highest and most fertile lands in the country.

Cession of 225 square miles of Toledo land would mean giving up almost 10 per-cent of the district approximately 2.6 per-cent of Belize's mainland holdings.

It is a proposition that the people of Belize will find difficult to accept.

A report appearing on the front page of the London Sunday OBSERVER of December 11 reports that the area of land between the Moho and the Sarstoon is the piece with the large oil reserves.

According to the OBSERVER: "Oilmen believe that the strip of land Britain wants its last Central American colony, Belize, to cede to Guatemala contains some of the largest oil deposits in the region. EXXON, the giant U.S. company, is already drilling in the area and offshore....

"The strip of land consists of about 225 square miles south of the Moho rive. in the extreme south of the colony."

POLICE FORCE HANDED OVER TO DEFENSE FORCE

FL040227Y Belize City Domestic Service in English 0100 GMT 4 Jan 78 FL

[Text] The Police Special Force has been formally handed over to the Belize Defense Force, in ceremonies this morning at the Police Training School on the northern highway. The Commissioner of Police (Mr Edmond Willoughby) did the handing over to the Commander of the Belize Defense Force Lt Col (Brian Eyles). The commissioner of police traced the history of the Police Special Force. The (brigade) was born in October of 1968, just over 9 years ago, and was made responsible for the internal security of Belize. Mr (Willoughby) said the short history of the Police Special Force is one of complete dedication to duty, determination to achieve their objective in the face of severe difficulties and hardships, hard work and sacrifices beyond the normal call of duty. For his part, the commander of the Belize Defense Force Col (Eyles) said he felt proud and honored to take command of the Police Special Force on the first day of the Belize Defense Force. Colonel (Eyles) promised that the Belize Defense Force and the police force would continue to work side by side for the good of Belize.

EL SALVADOR

SALVADORAN, HONDURAN DELEGATES TO MEET WITH MEDIATOR

PA040329Y San Salvador Radio Cadena YSKL in Spanish 2300 GMT 3 Jan 78 PA

[SERCANO Network]

[Text] The Salvadoran and Honduran delegates will meet with mediator Jose Luis Bustamante y Rivero in Lima, Peru, on 18 January to officially advise him of their appointment. The delegates are Arturo Castillo Hidalgo for El Salvador and Cesar Augusto Batres for Honduras. During the meeting with Bustamante y Rivero, they will discuss the activities the mediator will perform during the negotiations and they will learn the conditions Bustamante y Rivero will set to carry out his job. The designation of the mediator's headquarters will also be discussed.

OBSERVERS TO BE WITHDRAWN FROM SALVADORAN-HONDURAN BORDER

PA021854Y San Salvador Radio Cadena YSKL in Spanish 1720 GMT 2 Jan 78 PA

[SERCANO Network]

[Text] The OAS observers who have been patrolling the border between Honduras and El Salvador to prevent military and civilian clashes between the two countries will be withdrawn starting 15 January. This decision was adopted in Washington by the foreign ministers of the two countries, Roberto Palma Galvez and Alvaro Ernesto Martinez.

EL SALVADOR WILL NOT BUY ARMS FROM GREAT BRITAIN

PA021852Y San Salvador Radio Cadena YSKL in Spanish 1720 GMT 2 Jan 78 PA

[SERCANO Network]

[Text] El Salvador will no longer buy arms from London because of London's demands that the arms and war materiel which El Salvador had purchased there not be used by El Salvador to help Guatemala if there are armed clashes between Guatemalans and Belizeans.

El Salvador will no longer buy arms from England because it does not accept having to make purchases with conditions attached. El Salvador, as is known, supports Guatemala in its 150-year claim over Belize which Great Britain refuses to hand over to Guatemala.

NEW PLANNING MINISTER APPOINTED; OTHERS CONFIRMED

PA311517Y San Salvador Radio Cadena YSKL in Spanish 1220 GMT 31 Dec 77 PA

[SERCANO Network]

[Text] Dr Eduardo Reyes has been appointed minister of planning and coordination of economic and social development to replace Roberto Chico Duarte who resigned. All other cabinet members have been confirmed in their respective posts. This decision was made after thoroughly analyzing the work carried out by the ministers and undersecretaries of state in the first 6 months of the present administration.

This station has been told that even planning undersecretary Jorge Alberto Escobar Polanco has been confirmed in his post.

FORMER MINISTER DEPARTS FOR FINANCIAL REASONS

PA021254Y San Salvador Radio Cadena YSKL in Spanish 1220 GMT 2 Jan 78 PA

[SERCANO Network]

[Text] The Salvadoran Cabinet has been confirmed with only one change having been made. Planning and Economic and Social Coordination Minister Roberto Chico Duarte was replaced by Eduardo Reyes. Apparently, Chico Duarte made an evaluation of his businesses and discovered that holding a government post had made him bankrupt.

BRIEFS

AGRICULTURAL LOANS FOR 1978--The Agricultural Development Bank will have 129 million colones available in 1978 to grant loans and finance 207,000 manzanas of crops. The bank told SERCANO reporters that loans for basic grain crops will be given priority handling. [San Salvador Radio Cadena YSKL in Spanish 1720 GMT 29 Dec 77 PA]

GUATEMALA

PRESIDENT APPEALS TO POLITICAL LEADERS FOR PEACE

PA0400411Y Guatemala City DIARIO DE CENTRO AMERICA in Spanish 26 Dec 77 p 3 PA

[Text of Guatemalan President Kjell Laugerud Garcia's Christmas message to the Guatemalan people on 23 December 1977]

[Text] My dear fellow countrymen: We are on the eve of the Christian world's major celebration and in all Guatemalan homes the devotion for Christ is rekindled.

This christmas arrives with the nation still feeling the pain and death of February 1976. More than 100,000 homes will be remembering and mourning those who perished, and grief will overcome all of us who lost material possessions, relatives and friends.

I request a prayer for them when tomorrow we are rejoicing. I request a prayer for the dead and a vow of solidarity for their relatives.

This Christmas also arrives at a time when the people have been called to decide with their vote the election of a new government.

Dark and disturbing omens have appeared in the electoral process.

Although the political parties have signed an agreement for a clean and peaceful electoral process, some incidents have taken place that threaten the fulfillment of this agreement.

Some candidates for the presidency and other positions to be decided in the elections have drawn their machetes to promote acts of violence or to encourage primitive political acts.

Because of the hostility, impatience and agressiveness that exists within us due to years of frustrations and unsolved needs, the electoral process is like a minefield that will explode at the slightest touch.

In the elections, candidates and political parties cannot disregard this danger. Therefore, they have the obligation to insure that the minefield does not explode.

I see no reason why the politicians cannot continue Christmas' spirit of peace throughout the electoral process.

I see no reason why the leaders of movements and parties cannot insure the peaceful behavior of their followers.

There is no reason why the presidential candidates who have agreed on a truce of peace for Christmas cannot extend it.

The candidates and political leaders know that only through a peaceful electoral process can they reach their goals, because institutional order depends on the stability of the institutions which make possible the electoral process.

All Guatemalans know that as president, I have made great efforts to defend the institutions, peaceful coexistence and the country's progress within legal norms and understanding among classes, groups and sectors.

In accord with this policy, I called the political parties to delay the political process. I asked them to reach a peace agreement and to use civilized methods when campaigning for the people's votes.

In view of the ominous signs of violence, I have asked the presidential candidates to hold a meeting with me during the first days of January in order to find a way and a mechanism to assure the people that their vote will be respected and that it will not be stained with blood or tears.

This Christmas message, dear fellow countrymen, is the last I will deliver as president of the republic.

In the Christmas of 1974, I asked for understanding and help for the task I was about to begin. I said at that time that at the end of my term a large majority of people in the country would have more benefits. I also promised to dedicate all my efforts to serve Guatemala.

In the Christmas of 1977, the main objectives have been fulfilled. I am sure that now more people are satisfied and that there is less poverty, illness and ignorance.

God has made it possible for us to work together, and above all for the people and the government to work with freedom and trust.

In the Christmas of 1977, I want to ask the Almighty to bring happiness to your homes.

I ask God never to stop protecting the Guatemalan family and Guatemala.

My wife and my children, who will soon no longer be the presidential family but just another Guatemalan family, want you know that we will be at your side tomorrow and forever as brothers, together in our faith, effort, pain and joys.

God bless you!

OFFICIAL SPEAKS ON STATE OF EMERGENCY

PA031357Y Guatemala City Radio Fabulosa Network in Spanish 1220 GMT 3 Jan 78 PA

[SERCANO Network]

[Text] Guatemala City--President Laugerud Garcia is determined to conclude his presidential term without having to resort to establishing a state of emergency, according to Maj Rolando Archira Marroquin, assistant secretary of public relations of the Presidential Palace.

Major Archira Marroquin said President Laugerud maintains that he should end his term without having to resort to such measures. He made the statement in view of rumors circulated yesterday in political circles that a state of emergency had been declared in view of the kidnaping of former foreign minister Roberto Herrera Ibarguen.

Meanwhile, Deputy Elizardo (Auizar) Leal, of the National Liberation Movement, discarded the possibility of a political kidnaping and attributed the action to common criminals.

HONDURAS

PRESIDENT MELGAR SWEARS IN THREE NEW MINISTERS

PA031440Y Fl Progreso Radio Progreso in Spanish 1230 GMT 3 Jan 78 PA

[Text] Yesterday, chief of state Gen Juan Alberto Melgar Castro swore in three new cabinet ministers. As reported on Saturday, there were only three cabinet changes. The new ministers are: Lt Col Juan Angel Arias, who will head the Government and Justice Ministry; Lt Col Erick O'Connor Bain, who will be in charge of the Information, Culture and Tourism Ministry; and Lt Col Francisco Ruiz Andrade, who will head the Defense and Public Security Ministry.

The swearing-in ceremonies took place at 1100 yesterday. At the end of the ceremonies, Gen Juan Alberto Melgar Castro spoke with the new ministers for more than 2 hours. Following this meeting, the new ministers went to their respective offices to formally take over their posts. Following the swearing-in ceremonies, the new defense and public security minister, Lt Col Francisco Ruiz Andrade, stated: "I have not been purged. I have been promoted within the armed forces." Until the last day of 1977 this new minister had been the commander of the 3rd Infantry Battalion and of the II Military Region with jurisdiction in the departments of Cortes and Yoro. He replaces Col Omar Antonio Zelaya in the Defense and Public Security Ministry. Colonel Zelaya will be sent to Washington as a military attache.

Lieutenant Colonel Ruiz said that his transfer to the Defense and Public Security Ministry does not mean that he has been discharged from the army. "This ministry," he said, "has a very specific function within the armed forces which is established in our constitution." The new defense and public security minister stated that it is not true that he no longer belongs to the Armed Forces Supreme Council. In this regard he said that he will continue forming part of that army organization because now "I am a member of the Supreme Council and of the Cabinet as well." He said he was satisfied with his work in the country's northern region and thanked the civil authorities and people of that productive region for the cooperation he received from them, a Tegucigalpa report says.

Referring to his new duties, Lieutenant Colonel Ruiz said that he will comment on them once he is briefed on the 1978 work plan prepared by the previous minister. When asked for his opinion regarding the rebellion against the military government, Lieutenant Colonel Ruiz noted that there are always irresponsible groups in all countries but that [words indistinct]. In his answer, the minister did not go beyond using the word irresponsible.

Former national defense and public security minister Lt Col Omar Antonio Zelaya will be appointed Honduran Ambassador to the people and government of Chile. [position as heard] Zelaya will replace Virgilio R. Galvez who has been asked by the executive to lead the National Electoral Tribunal [words indistinct] the Supreme cour of justice. Zelaya was defense and public security minister for 1 year. He had replaced Gen Mario Chinchilla Carcamo, who was appointed Armed Forces General Staff chief.

It is highly probably that the Foreign Ministry will request--or was already requested--the approval of the Government of Gen Augusto Pinochet in order to appoint Omar Antonio Zelaya as ambassador of Honduras to Chile.

ARMED FORCES CHIEF STRESSES UNITY

PA020255Y Tegucigalpa Domestic Service in Spanish 0200 GMT 1 Jan 78 PA

[New Year address by Brig Gen Policarpo Paz Garcia, chief of the Honduran Armed Forces on 31 December--live or recorded]

[Excerpts] Some Hondurans who have been misled by their emotions and narrow-mindedness have tried to satisfy their own personal ambitions by disrupting the peace established by the armed forces. Others, through slander and conjecture, have tried to sow mistrust in the armed forces by suggesting that the changes and transfers that have been ordered are not in accord with the military's statutory provisions.

With regard to this, as chief of the armed forces, I want to inform the Honduran people in a definitive and conclusive way that the changes and transfers ordered within the armed forces, as well as any similar future orders, are normal. I also want to state that those changes should be viewed as the result of the proper enforcement of the legal provisions of the armed forces.

Those who tried to upset [word indistinct] in an unpatriotic effort to disrupt social peace must be aware that [words indistinct] the regular procedures that should be used when such serious crimes are committed should in no case be viewed as weakness on the part of the armed forces but rather as a firm statement of the unity that insures the effectiveness of our activities. The public should not believe the rumors and conjecture that cast doubt on the unity of the armed forces. The Honduran people should remain confident in the national destiny, which the armed forces and the military government will always (?defend).

It is natural to think that those who spread conjecture and rumors are basically interested in sowing mistrust among our ranks in order to weaken the most powerful historic national front. That is why the chiefs, officers, noncommissioned officers and soldiers of our armed forces should remain firmly and decidedly united and not pay attention to any efforts to create disunity.

The work of the armed forces is intended to insure the full implementation of human rights and to uphold each individual's dignity and freedom as the condition needed to preserve the democratic institutions during the process that will result in the restoration of constitutional order.

The armed forces are closely involved in the national destiny. Therefore, all our efforts are intended to achieve, as far as possible in view of the country's economic situation, the improvement of the standard of living for the poor. In this sense, we give our full cooperation and loyal support to the national government which, following orders by the armed forces higher council, is led by Brig Gen Juan Alberto Melgar Castro.

I wish all Hondurans prosperity, peace and fraternal harmony in 1978. Cheer, fellow citizens!

FOREIGN MINISTER OPTIMISTIC ABOUT MEDIATION AGREEMENT

PA3111844Y Panama City ACAN in Spanish 1740 GMT 31 Dec 77 PA

[Text] Tegucigalpa, 31 Dec (ACAN-EFE)--Honduran Foreign Minister Roberto Palma Galvez said today that "the mediation agreement is a useful instrument for the definite settlement of the border problem with El Salvador."

Hei pointed out that "the negotiations undertaken between Honduras and El Salvador pave the way for the solution of the conflict if both parties so wish it."

Honduras and El Salvador have had no diplomatic relations since 1969 when they fought a 100-hour war, but they are holding talks to reach a settlement based on a mediation agreement signed in October 1976 and ratified by both nations on 22 November in Washington.

The agreement calls for a mediator who was recently elected in Costa Rica. He is former Peruvian President Jose Luis Bustamante y Rivero, who will assume the post in January.

In referring to Bustamante, Palma Galvez said, "I think that the mediator will contribute all his efforts, personal knowledge and impartiality in the honorable post he has been entrusted with by Honduras and El Salvador."

He added: "We will go to the negotiations table in Lima or the city indicated by the negotiator without any prejudices, with an open mind and spirit, to present our opinions clearly and to propose the most just solutions that can end the conflict."

Palma Galvez went on to say that "we will do this because we want Honduras to occupy the place that corresponds to it in the civilized world to establish the best of ties with all nations."

LABOR LEADER ATTACKS GOVERNMENT LABOR POLICY

PA021946Y Panama City ACAN in Spanish 1836 GMT 2 Jan 78 PA

[Text] Tegucigalpa, 2 Jan (ACAN-EFE)--Felicito Avila, president of the General Workers' Central (CGT), of Social Christian leanings, today harshly attacked the military government's labor policy and the arrest of 10 peasant leaders of the Isletas Cooperative in northern Honduras.

He said: "In both cases, human rights are being violated."

He demanded the release of the peasants who have been imprisoned in Puerto Trujillo on the Atlantic coast since 12 February when the Honduran Army intervened in the cooperative and arrested its leaders on charges of being leftists and mismanaging funds.

The union leader said of the Isletas peasants: "Our companions deserve a just and human life as do their abandoned families."

He added that "the peasants were all imprisoned unjustly by persons using the excuse of anticommunism."

"The injustic of the military government is seen in the subhuman conditions endured by the imprisoned peasants," he went on to say.

The president of the CGT also scored the Labor Ministry's labor policy "because at all times it was badly and unfairly carried out by the minister, Adalberto Discua."

Avila said the CGT will continue exposing to the Honduran people all these injustices which are committed against workers and peasants in the country.

PEASANT ORGANIZATION THREATENS LAND INVASIONS

PA301634Y Paris AFP in Spanish 0231 GMT 30 Dec 77 PA

[Text] Tegucigalpa, 29 Dec--The National Union of Authentic Peasants of Honduras (UNCAH) threatened here today to implement in February a progressive land invasion plan.

Lorenzo Barahona Molina, secretary general of this organization, warned that "if the military government does not begin distributing land among UNCAH members in January," the plan will be put into effect and that more than 30,000 peasants throughout the country would participate.

The agrarian leader noted that for several months his organization has been asking the National Agrarian Institute to distibute land. "Our peasants," he said, "need at least 10,000 hectares that will benefit 14,500 of our members who would begin the new year engaged in productive farming tasks."

He noted that if the government disregards his demands, "there will be land invasions in strategic areas where neither large landed states nor small farms have yet been touched."

ALLEGED NICARAGUAN SANDINIST DEPORTED

PA311652Y Panama City ACAN in Spanish 1559 GMT 31 Dec 77 PA

[Text] Tegucigalpa, 31 Dec (ACAN-EFE)--A Nicaraguan named Domingo Deli Socorro Chamorro was deported by Honduras to an unspecified Central American country because of suspicions that he was a member of the Sandinist guerrillas operating in Nicaragua.

According to LA TRIBUNA newspaper, Chamorro was arrested by the Honduran Investigations Department in the eastern city of Danli, El Paraiso Department, near the Nicaraguan border.

The newspaper said Chamorro did not have the proper documents and that this obliged authorities to place him under arrest for 22 days, but his connections with the Nicaraguan guerrillas were not proven.

It is said that Chamorro is a member of a prominent Nicaraguan family and that he left Honduras 8 days ago.

BRIEFS

NEW PUBLIC SECURITY COMMANDERS--The second region of the Public Security Forces, headquartered in San Pedro Sula, will have a new commander as of 1000 today. Lt Col Ropendo Martinez Paz will replace Maj Julio Cesar Rivera as commander of this police body. Rivera will be the new chief of the National Investigations Directorate. During the same transfer ceremony, Lt Juan Angel Barahona will be replaced as regional chief of the Department of National Investigation by Lt Carlos Cuello. Barahona has been appointed chief INTERPOL, which is headquartered in Tegucigalpa. Lt Col Francisco Ruiz Andrade, who has been commander of the Second Military Region, will be replaced by Lt Col Amilcar Zelaya on Friday or Saturday, according to reports. [El Progreso Radio Progreso in Spanish 1232 GMT 3 Jan 78 PA]

NICARAGUA

NEW NICARAGUAN FOREIGN MINISTER TO MEET DIPLOMATIC CORPS

PA040322Y Managua Radio Corporacion in Spanish 2300 GMT 3 Jan 78 PA

[Text] The new Nicaraguan foreign minister, Julio C. Quintana, has invited the diplomatic and consular corps accredited in Nicaragua to meet with him at noon on 5 January. The meeting will be held at the Military Club in Managua, where another meeting will be held the next day between the diplomatic corps and President Anastasio Somoza.

PERSONS ARRESTED ON 24 DECEMBER RELEASED

PA031847Y Managua Radio Corporacion in Spanish 1720 GMT 3 Jan 78 PA

[SERCANO Network]

[Text] Manugua, 3 Jan--The persons arrested on 24 December have been released. University professor Douglas Stuart, intellectual Giovanni D'Ciofalo and several workers who had been arrested as a result of the 24 December events in Manugua were released at approximately 0930 today.

YOUTHS CHANT ANTI-SOMOZA SLOGANS DURING PROCESSION

PA031810Y Panama City ACAN in Spanish 1731 GMT 2 Jan 78 PA

[Text] Managua, 2 Jan (ACAN-EFE)--Slogans in support of the Sandinist National Liberation Front (FSLN) and the "Popular Prolongued War" being promoted by one of the FSLN factions which operates in northern Nicaragua were heard during the Catholic procession in Managua on 1 January.

Headed by Managua Archbishop Msgr Miguel Obando y Bravo and the priests of the Managua Archdiocese, the annual procession in honor of Christ the King and under the slogan of "no to violence, yes to peace," left from the Santo Domingo Church in eastern Managua and advanced for 2 km along Candelaria Street to the Plaza of the Republic.

A group of youths among the approximately 5,000 parishioners chanted slogans such as: "The armed people shall never be crushed," "Hail the revolutionary struggle" and "Hail the FSLN" during the procession which ended with the celebration of mass.

Pamphlets attacking the "Somoza dictatorship" were thrown over the procession from the Managua Cathedral, partially destroyed by the December 1972 earthquake.

The people in the procession were concerned about the youths' action, fearful that there would be disturbances at the end of the event. This did not occur.

The police and army forces remained in their garrisons. However, the Catholic procession was watched by agents of the intelligence services who discreetly mixed among those attending the event.

ZAPU'S JOSHUA NKOMO ENDS VISIT

FL301511Y Havana Domestic Service in Spanish 1502 GMT 30 Dec 77 FL

[Text] The Zimbabwe African People's Union (ZAPU) delegation headed by ZAPU President Joshua Nkomo, co-president of the Zimbabwe Patriotic Front, left Havana yesterday. The delegation visited our country at the invitation of the PCC.

The ZAPU delegation was seen off by PCC Secretariat member Antonio Perez Herrero and Claudio Ramos, chief of the Africa Section of the PCC Central Committee's Foreign Relations General Department. Oscar Dramas, director of the Foreign Ministry Africa and Middle East Department, and other officials also were present at the air terminal in Rancho Boyeros.

During his stay in our country, the ZAPU president met with Commander in Chief Fidel Castro, first secretary of the PCC Central Committee.

MESSAGES RECEIVED ON ANNIVERSARY OF REVOLUTION'S TRIUMPH

Husak, Strougal Message

FL301223Y Havana Domestic Service in Spanish 1200 GMT 30 Dec 77 FL

[Text] The Socialist Republic of Czechoslovakia has conveyed warm congratulations to the Republic of Cuba on occasion of the 19th anniversary of the triumph of the revolution. The message, addressed to Fidel Castro, first secretary of the PCC and president of the Council of State and Council of Ministers, is signed by Czechoslovak President Gustav Husak and Premier Lubomir Strougal. The Cuban revolution, the message says, which initiated a new stage in history, has gone beyond the country's borders because of its significance.

Soviet Leaders' Messages

FL022123Y Havana Domestic Service in Spanish 1100 GMT 2 Jan 78 FL

[Text] Soviet dailies today published the message of congratulations sent to Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Council of State, by Soviet high leaders Leonid Brezhnev and Aleksey Kosygin, first secretary of the CPSU and chairman of the USSR Council of Ministers, respectively. The congratulatory message was sent on the occasion of the 19th anniversary of the triumph of the revolution.

A similar message was sent to Army Gen Raul Castro, minister of the Revolutionary Armed Forces [FAR], by Marshal of the Soviet Union Dimitriy Ustinov, USSR minister of defense. The contents of the message points out: On behalf of the armed forces and my own, I congratulate all Cuban FAR members on the occasion of the day of liberation.

Similarly, the Soviet Trade Unions Central Council has sent greetings to the Cuban trade unions, workers and the people. The document points out that the Cuban trade unions invariably declare themselves for the strengthening of unity and cohesion of the world trade union movement based on anti-imperialist principles.

Other Greetings

FL031419Y Havana Domestic Service in Spanish 1207 GMT 3 Jan 78 FL

[Excerpts] The peoples of Cuba and Mozambique are united by the common objectives of the struggle against imperialism, Samora Machel, president of the FRELIMO and president of Mozambique, states in a message sent to Commander in Chief Fidel Castro. The message to the PCC Central Committee first secretary and president of the Councils of State and Ministers was sent on the occasion of the 19th anniversary of the triumph of the Cuban revolution.

Lucio Lara and Lopo do Nascimento, members of the Politburo of the MPLA last night attended the reception given in Luanda on the occasion of the 19th anniversary of the triumph of the Cuban revolution.

The Peruvian 11th [World Youth and Students] Festival Preparatory Committee is conducting a series of showings of Latin American films in honor of the new anniversary of the triumph of the Cuban revolution.

The Cuban Embassy in Hanoi has given a reception on the occasion of the 19th anniversary of the triumph of the revolution which was attended by Vice Premier Vo Nguyen Giap, member of the Vietnamese Communist Party Politburo, among others.

The Algerian local press has been highlighting in past days the new anniversary of the triumph of the Cuban revolution, which it defines as an exemplary process, always loyal to its principles.

GOVERNMENT'S NEW YEAR'S ADDRESS TO NATION

FL022032Y Havana Domestic Television Service in Spanish 0501 GMT 1 Jan 78 FL

[Cuban Government's address to the nation read by staff announcer Manolo Ortega]

[Text] Long live the 19th anniversary of the revolution's triumph! We have arrived at the year of the 11th World Youth and Students Festival. We receive the new year with the joy felt for having made in 1977 a great effort to fulfill all goals, to continue to advance in the fulfillment of the agreements and resolutions of the historic first party congress and to achieve new successes in building socialism. With legitimate satisfaction, today we recall the work performed to attain the sugar production goals of the 1976-1977 harvest, the task fulfilled by the hard-working contingents, which guaranteed the weeding of cane for the current harvest, and the continued effort by all sectors of the economy to raise the efficiency indexes with greater savings, more production and productivity and greater austerity in all respects.

In 1977, our working people attained substantial gains in construction work and in projects for agricultural development. Our trade with socialist countries increased remarkably. The growth of our economy and the fulfillment of contracted international obligations have enhanced the prestige and consolidated the credit of our country. As stated by PCC Central Committee First Secretary Comrade Fidel Castro at the people's government National Assembly, we have overcome great obstacles. We have made it possible for our people to be free from great sacrifices. We have guaranteed a more than satisfactory growth of the economy next year and, above all, we are creating the conditions for the future, better conditions for the future.

In the year that has just ended, our people have devoted special efforts to all preparatory tasks of the 11th World Youth and Students Festival, which will be held during this year's summer. Throughout the country, intense efforts have been made to collect funds to finance the event, in the manufacture of artistic objects for the friendship bags [bags containing gifts for delegates to festival] and an enormous effort is being made to fulfill the commitments of the 11th festival emulation. Our youth is carrying out shock tasks with revolutionary fervor in honor of that world meeting of youths with which we have been highly honored by being designated host-nation.

In the year that starts today, we all reaffirm our determined and irrevocable will of continuing to move forward in building socialism, of making a reality our consciousness in connection with the need to be austere, of fundamentally devoting our efforts to the development of the economy to build a prosperous and happy future for coming generations. We reiterate our intention of attaining more ambitious goals in the industrial and livestock-agricultural production, in the improvement of services, in the defense of the gains attained in 19 years of revolution. We will fly high the flags of Marxism-Leninism, of proletarian internationalism, of brotherhood with countries of the socialist camp and, especially, with the Soviet Union, with which we shared in 1977 the jubilation on the occasion of the 60th anniversary of the Great October Socialist Revolution.

Long live the 19th anniversary of the revolution's triumph! Long live the fatherland's eternal heroes! Long live our Commander in Chief Fidel Castro! Long live the PCC! Long live the year of the 11th festival! Fatherland or Death, we shall win!

YOUTH FESTIVAL PREPARATORY COMMITTEE ISSUES APPEAL

FL022140Y Havana Domestic Service in Spanish 1100 GMT 2 Jan 78 FL

[Text] In Havana, the Permanent Commission of the 11th [World Youth and Students] Festival Preparatory Committee has issued an appeal to all youths in the world. The document points out that as the year 1978, the international year of the 11th festival, begins, we are entering a decisive phase of the preparatory work for the great event of the youth and students. It states that only a few months separate us from the arrival in Jose Marti's fatherland of thousands of youths who will participate in the inspiring meeting from 28 July to 5 August. With enthusiasm, indescribable joy and great responsibility, the preparatory tasks directed at guaranteeing a successful meeting are being carried out, the document issued by the 11th festival preparatory committee states in closing.

STATE COMMITTEE FOR STATISTICS ISSUES RESOLUTION

FL302030Y Havana Domestic Service in Spanish 1913 GMT 30 Dec 77 FL

[Text] The State Committee for Statistics has promulgated its Resolution No 76 by virtue of which the standards to be used in completing the task of revaluating the basic means of all budgeted enterprises and units of state organs and organizations are established. The resolution points out that each budgeted enterprise and unit should complete the revaluation of its basic means by the date specified by the agency to which they are subordinated but no later than 31 May 1978.

The original value of each basic mean will always be the one appearing in the official price list of the state committee or of the subcommittee for basic means. The organs and organizations of the state central administration will provide the budgeted enterprises and units with the mentioned original value lists that have been published, including other price lists they might need.

EDUCATION OFFICIAL CONCLUDES VISIT TO HUNGARY

PA241744Y Havana International Service in Spanish 1600 GMT 24 Dec 77 PA

[Text] Arturo Rodriguez, Cuban vice minister of higher education, has concluded an official visit to Hungary, where he met with local education leaders. Numerous matters connected with the area of higher education and a work plan to be implemented jointly by Cuba and Hungary were discussed during the talks.

HAVANA CITY'S NATIONAL ASSEMBLY ENDS ORDINARY SESSION

PL312130Y Havana Domestic Service in Spanish 1702 GMT 31 Dec 77 PL

[Text] The working sessions of the fourth ordinary session of Havana city's highest legislative body concluded last night at the Garcia Lorca Theater. Chairing the event were Oscar Fernandez Mell, president of the people's government Provincial Assembly, Vice President Luis Mendez Morejon and Secretary Dario Estrella Hojala. The report on actions was read to the 172 delegates by Fernandez Mell. The participants also discussed matters of great importance, such as implementation of the system of management and planning of the economy, aqueducts, road matters, transportation, education, health and work related to preparations for the 11th [World Youth and Students] Festival.

Another important topic discussed was the technical and economic plan for 1978. In the introduction of the report to the assembly, the provincial people's government Executive Committee announced that a study is being made of priorities in the case of scholarships to be granted for rural secondary schools. Likewise, the Executive Committee made an examination of the current lack of bank offices in the capital and is studying the possibility of acquiring locations for that service.

The report stressed the convenience of examining the number of assembly meetings that should be held by the subdivisions, making sure that the number of voters of each of them does not exceed 700 persons. The results achieved in the period examined show that there has been an increase in the number of voters participating in assembly meetings held to report on actions during the period June to October of this year.

The report also announced that 68 percent of the damaged roads will be repaired by July 1978. It is also reported that 15 of the city's 50 main highways will be repaved and 35 others will be repaired. The sale of materials for the repairs, which was made possible by the effort of the users, was 61 percent higher than last year, with sales that exceeded 2 million pesos. With respect to the taxi topic, the Havana city's people's government announced that 702 taxi drivers have been submitted to hearings of labor councils, out of which 59 were permanently dismissed from their jobs.

The Provincial Assembly session was characterized by the numerous speeches made by the delegates. Several representatives to the assembly criticized those organizations which do not adequately respond to the people's concerns and, at times, even disregard the just demands of the public. It was also proposed that the Ministry of Transportation inform the corresponding people's government organs about the routing of the new buses as well as the reasons for the schedules selected.

One of the delegates called the assembly's attention to the need for taking care of the trees being planted as part of the capital's embellishment program in preparation for the 11th festival.

Lionel Gutierrez, provincial director for planning of the people's government, explained the contents of the technical and economic plan for 1978. According to his report, next year investments in the city of Havana and job openings will increase, the latter by 5 percent compared to last year. It was also learned that the production of bread in Havana City Province will increase by 7 percent next year, and the capacity of the theaters by 1 percent. The assembly meeting participants adopted a resolution in support of the efforts being made by our people for a more productive harvest.

CEMENT PLANTS REPORT INCREASE IN PRODUCTION

FL022206Y Havana Domestic Service in Spanish 1800 GMT 2 Jan 78 FL

[Text] The workers of the country's 5 cement plants have produced more than 2,645,000 metric tons of the product, which represents the fulfillment of the 1977 plan and the highest production ever achieved in the history of the industry in our country. The amount attained by 30 December is higher by 150,000 than that of 1976, representing an increase of 6 percent compared to that year.

CAMACHO AGUILERA CONGRATULATES FERTILIZER PLANT WORKERS

FL0300010Y Havana Domestic Service in Spanish 0000 GMT 3 Jan 78 FL

[Text] Julio Camacho Aguilera, first secretary of the party in Pinar del Rio Province, has sent a message of congratulations to the workers of the province's fertilizer plant for having overfulfilled the year's plan in 1977. The workers produced 70,677 tons of a plan calling for 70,236. The message states: With great joy, we have received the information that you have fulfilled the plan of mixed fertilizers in 1977. In closing it adds: We know that great efforts and a permanent dedication on the part of the workers have been necessary to make possible the attainment of the goal.

BRIEFS

ANAP COOPERATIVE ESTABLISHED--PCC Central Committee member and National Association of Small Farmers [ANAP] President Jose Ramirez Cruz has made the closing remarks at an event held in the area of Capestani, 8 kms from Placetas, Villa Clara Province, to establish a new coopeative of livestock-agricultural production. This new cooperative which bears the name of "Liberacion de Placetas," has a membership of 41 peasants and their relatives, who have expressed their decision to unite their lands and work tools to integrate the movement for superior methods of production. Sitting next to the ANAP president at the presidium were ANAP Vice President Orlando Barrios, Villa Clara Provincial party bureau member Segundo Reyes and comrades representing different organizations of that province. [Text] [Havana Domestic Television Service in Spanish 1800 GMT 30 Dec 77 FL]

INTER-CARIBBEAN AFFAIRS

CARICOM PROBLEMS EXAMINED: SEARCH ON FOR SECRETARY GENERAL

FL311705Y Bridgetown SUNDAY ADVOCATE-NEWS in English 25 Dec 77 p 4 FL

[Commentary by Glyne Murray]

[Text] While most Barbadians and West Indians will today be taken up in merrily celebrating the anniversary of Christ's birth, December marks another milestone--but one of which they must be less than proud and happy.

It has been two years since the last full Caricom heads of government meeting in St. Kitts. Those deliberations, held in early December 1975, had ended in a burst of hope engendered by the announcement of the impending regional food plan and other soul-stirring objectives.

But since then, instead of realising what had appeared to be inevitable growth, the region has seen extensive erosion of the very spirit of the Caribbean integration movement.

The major agent of attrition has been the severe economic pressures that have pushed two of Caricom's leading members--Guyana and Jamaica--into protecting their domestic economies.

Those remedial steps which had enormous repercussions elsewhere in the area, were all within the letter of the law of the Caricom treaty.

But the stringency of Guyana and Jamaica's import restrictions was not assuaged any by the failure of the Caricom leaders to meet during this time of stress and breathe fresh life into the flagging Caricom spirit.

Such has been the frustration experienced over Caricom, that its most enthusiastic backers would say that at best it is marking time, if not having ground to a complete standstill.

And while it has been the threats of "trade wars" and developments of that nature that have been hitting the regional headlines, not much attention has been paid to what has been happening at the Caricom Secretariat headquarters in Georgetown, Guyana.

There, a once proud, tightly knit and highly motivated and productive cadre of some of the best young brains of the region is said to be now badly demoralised and deeply disillusioned. Partly responsible for the technocrats' low spirits has been the lack of success in appointing a successor to the last secretary general, Mr. Alister McIntyre.

It is being said that this failure has to a large extent resulted from the reluctance of eligible candidates to live in Guyana, as well as the heads' not meeting to take the necessary steps to reinvigorate the hunt for a suitable secretary-general.

Some very welcome progress in this sphere is expected in the very near future, with a number of talented sons of the Caribbean, including a Barbadian, reported to be "hot" contenders for the job.

Undoubtedly the appointment of the right man to the post of secretary general would do a lot to persuade, cajole, bully, convince or whatever tactics are needed, to get the heads of government to come together and get down to work.

Though what will have to be done to get Trinidad and Tobago's prime minister, Dr. Eric Williams, to participate in a Caricom summit is another matter altogether.

It is obvious that this doyen of Caribbean politics has demonstrated an outstanding indifference to a summit, even when it is held in his country.

For Dr. Williams has been far too wont to despatch a number of his underlings to represent that country at Caricom summits. This has frequently resulted in mere formal representation, since major matters have had to be referred to Dr. Williams Beack at home for his opinion, decision etc.

At first Dr. Williams' unwillingness to travel outside of Trinidad and Tobago had found sympathy among his regional colleagues because of the closeness with which the revolt there in the early 1970's had come to toppling him from power, but as Dr. Williams has reconsolidated his position, this tolerance has worn thin.

Of course Dr. Williams' inclination to be a recluse has not been helped any by the sudden upsurge in the amount of money in his country's possession. This good fortune has not been the fruits of Dr. Williams' astute decisions during his many years of leadership.

Rather, it is simply the increased value being placed on an endowment of nature through the economic and political acumen of the Arab and OPEC's (Organisation of Petroleum Exporting Countries) strategies since 1973. Trinidad and Tobago has been rejected for membership of OPEC.

As a result of the rises in the price of oil, Dr. Williams was placed in a unique position to exert statesman like leadership on the rest of the Caribbean which is non oil-producing. Instead, we have seen him in another act of washing his hands clean of the Caribbean.

Meanwhile, in spite of the intense chauvinism that pervades Trinidad as it engages in a year-round bacchanal to the beat of its fortuitous petro-dollars--it remains a country that does not function in the very basics which we in Barbados take for granted--lights, water, telephones, roads, transportation.

Unless spent wisely, this windfall that is based on an expendable source of energy, could in the long-term turn out to have been much less of a blessing from Trinidad than it now seems.

There is therefore a breach in regional leadership, through Dr. Williams' obsession with his country's perceived continental destiny with Latin America.

Guyana's Forbes Burnham and Jamaica's Michael Manley are clearly in no position to fill this vacuum, despite their posturings in more propitious times as spokesmen for the Caribbean and the Third World.

These two prime ministers are not only much too hard pressed at home with domestic problems, but their entanglements with their brands of socialism have also put them in a position in the region that would permit them to assume effictive leadership roles.

This mantle of leadership must be assumed by Barbados and its prime minister Mr. Tom Adams. He brings to the regional plane a number of factors which are decisively in his terrain.

To begin with, Prime Minister Adams carries a surname which has become synonoymous with regionalism through the achievements and reputation of his father, the late Sir Grantley Adams, the only prime minister of the defunct West Indies Federation.

Secondly, as the newest member of the heads of government group, he brings with him a record that is untainted by any of the deals, schemes, attitudes and cliquishness that have characterised the relationship of others.

It is felt in the region, that the initial period of suspicion tinged at times with dwnright hostility that met Prime Minister Adams' emergence on the scene, has now turned into respect and acceptance.

So far, and quite rightly so, Prime Minister Adams and his government have been concentrating on domestic matters. Indications are that they are beginning to come to grips with affairs of state.

It would be a good thing for Barbados and the Caribbean if in the future the BLP administration devotes more of its time and talents to Caricom. This is made all the more imperative by the great deal the party has had to say about Caricom while in opposition.

In opposition, the Barbados Labour Party has even gone as far as promising an "urgent review of our Caricom treaty commitments" to remove disadvantages to Barbados, while re-emphasising its devotion to regionalism. This indicates an awareness that all is not well with Caricom though it is not hopeless.

It is therefore to be hoped that the proposed new year summit as spoken of by Mr. Henry Forde, external affairs minister, comes off as speedily as possible, with or without Dr. Williams. The region cannot afford to let history and opportunity pass it by because of any one man.

Since independence for the non-sovereign countries is there for the asking, "going it alone" does not have the same emotive pull nowadays as it did in 1962 when the federation collapsed following Dr. Williams declaration that "one from ten leaves nought".

There is no alternative to regionalism whether it be called, federation, Caricom or whatever. Only the names change, not the region's needs.

Merry Christmas to all!

BARBADOS

BISHOP GOMEZ HITS OUT AT MARXIST IDEOLOGY

FL311715Y Bridgetown ADVOCATE-NEWS in English 28 Dec 77 p 1 FL

[Text] Anglican bishop of Barbados, the Rt. Rev. Drexel Gomez, has again lashed out at the ideology of Marxism and the philosophies of atheist countries.

Delivering the sermon during midnight mass service at St. Mary's Church on Christmas Eve, Bishop Gomez noted that Christmas was a time when hope was one of the most predominant themes in secular and religious circles.

An immensely popular hope in the region, he said, was that of social utopia in many forms, but especially in that of the Marxist myth.

This myth, he said, offered a society in which all oppression will be removed and all inequality made equal.

These goals were admirable, Bishop Gomez observed, but like all modern myths, offered no guarantee that the confusion and disturbance necessary to its achievement would not vitiate the achievement itself.

This is the fate, he noted, which seemed to have undertaken all millennia and utopias which had appeared in the long evolution of human civilisation.

Pointing to national sovereign states, such as Cuba, Bishop Gomez said that these countries had taken as their official philosophy that God does not exist. They believe, he pointed out, that man is a self-sufficient, autonomous being who does not need the idea of God to assist him.

The record of these officially atheist countries, in the short period that they have existed was not an encouraging one, he noted.

"The history of this new ideology demonstrates beyond any shadow of doubt that the autonomy of man is inextricably linked to the denial or the suppression of his freedom", Bishop Gomez said.

He agreed with the contemporary Russian writer, Alexander Solzhenitsyn, when he described Marxism as "an intolerable denial of human freedom".

He further agreed with the post-Marxist Russian that the only alternative to Marxism was authentic Christiantity.

The Christian hope was founded on the freedom and resourcefulness of God, the Anglican head stated, so that under God "we are genuinely free agents".

"Let us therefore renew our Christian hope and demonstrate to our contemporaries in our Caribbean homelands that, by entrusing ourselves to Christ, we can courageously face evil; we can accept our own need for conversion; we can face the lovelessness of others and the whole legacy of sin the world around us", Bishop Gomez said.

Bishop Gomez also touched on the hope of many countries for an indefinitely rising standard of living.

For the developed countries, this meant little more than larger cars, bigger and brighter television sets, more elaborate homes and longer and more frequent holidays, he said.

This, he stated, was nothing short of a trivial hope characterised by an insensitivity to the basic needs of the inhabitants of the less developed nations.

The Christian church in many of these countries as well as a few enlightened politicians, were trying desperately to combat this dehumanising process.

The hope of an improved standard of living was however an authentic and dominating one for persons living on the edge of starvation in underdeveloped countries, he pointed out.

To such people, the Anglican bishop said, the challenge of the Gospel of Christ came in learning to seek improvement without converting the material into the absolute goal of life.

He urged the people of Barbados and Caribbean to take the words of Colin Brogan to heart when he declared in his book "The Democrat of the Supper Table":

"Because a man is what he is, material comfort will not satisfy him. Vitamins are not the food of the spirit and a bungalow is not its dwelling place. Therefore a society which concentrates on material gains will be at once immensely productive and immensely sterile, satiated and hungry, busy and enormously bored".

EDITORIAL DEPLORES TOLERANCE OF COMMUNIST INFILTRATION

FL031440Y Bridgetown ADVOCATE-NEWS in English 30 Dec 77 p 7 FL

[Editorial entitled "Topic for Today--Communism Is Communism, Is Communism" by E.L.C.]

[Text] Giving the Hugh Anderson Memorial lecture at the Cambridge Union Society recently Dr. David Owen, British foreign secretary, launched the strongest attack yet made by a British Labour Party member on the current flirtations with "Euro-communism." His speech could best be paraphrased, in the language of Gertrude Stein, communism is communism is communism.

He deplored the apparent respectability which was being accorded to the so-called Euro-communists -- a term he rejected because he was not convinced that the phenomenon which it is supposed to describe exists as a separate entity.

"I reject the term" he declared, "because I do not wish to give communism anywhere a spurious credibility, particularly in Europe. I reject the term because it can easily mean lowering the guard of democratic socialism."

Since even the term democratic socialism appears to me to be a contradiction in terms, I'd like to suggest to Dr. Owen and others using that label that they should find a new name. Perhaps democratic humanitarianism, or democratic welfarism, or democratic pragmatism, or democratic do-goodism--anything democratic. Socialism cannot be democratic if it means what the dictionary says it means--"the theory, principle or scheme of social organisation which places all means of production and distribution in the hands of the state."

Be that as it may, our own self-styled democratic socialists should take Dr. Owen's remarks to heart in Barbados, too. Truck with the communists--and we are seeing a great deal of it--can mean the end of democratic socialism here just as Dr. Owen sees this happening in Britain.

In Britain, he revealed, an attempt is already being made to persuade the British Labour Party to confer on the handful of British communists "the same credibility that we are in danger of giving to their Italian, French and Spanish counterparts".

The danger in any such softness (he should have said softness in the head) was that the Labour Party would be slowly turned away from "its present outright opposition and traditional hostility to the communist party in Britain".

The same thing will happen in Barbados if we are not careful. We, too, shall be asked "first to tolerate, then to associate and then to combine with the communists"--and here, too, this will spell the death of what we now call democratic socialism.

Our trouble is that we take people at their own face value. We do not appreciate that good intentions cannot be implemented by bad political arrangements. Communism cannot exist without coercion, for the very simple reason that it is unnatural. It is a bad political arrangement because it goes against the grain.

We must not mistake it for compassion, which is a virture. For, if its basic tenet seems to be compassionate it is a very strange sort of compassion, indeed, where people are forced to do what they do not want to do in the name of an equality that does not extend to the superior rulers and their henchmen (yard fowls, in local parlance).

Nor must we mistake the glowing reports which are brought from Cuba and from Yugoslavia of a communism with a kindly face for the truth, the whole truth, and nothing but the truth.

The argument that Yugoslavia is a country which has managed to combine communism with freedom was surely destroyed by their own naivete in releasing a number of political prisoners to mark the recent occasion of the Belgrade conference.

Or, again, it is surely destroyed by the treatment meted out to Father Sava Bankovic, 72, of the Serbian Orthodox Church, beloved parish priest of the village of Beska, in the Province of Vojvodina.

Father Bankovic was sentenced to death in 1946 when Tito was busily getting rid of all opponents, but had his sentence commuted to 15 years imprisonment. He served these, without remission, and was no sooner out than back in again for his opposition to atheism, the presiding judge commenting that communism and atheism are the same thing.

Father Bankovic is out again, and being actively harassed. He is prevented from returning to Beska, and has had his national insurance pension cancelled, so that he and his wife have no means of livelihood other than donations sent to him sureptitiously by his former parishioners.

It is a sordid, sordid story, not uncommon to communist countries, even those we think of as communist with a kindly face.

In the same way, Dr. Castro may be seeking to improve the lives of his people, but, at the same time, he is not being particularly careful of their welfare, when he picks them up and sends them out to die by the hundreds on foreign soil.

It may be argued, of course, that their deaths are all in a good cause, whichever way you look at it: either they are helping to bring the freedom they enjoy to other nations; or they are paying the legitimate price for Russian help.

The fact is we tend to be confused by words, and to accept people at their own oft-repeated assessment. This is a sad commentary on all this education we have knocking around. It seems to teach folk to add, but not to analyse; to subtract, but not to substantiate; to divide, but not to distinguish.

Fortunately, there is still Dr. Owen left to pull us up short.

JAMAICA

MANLEY DISCUSSES 1978 PROSPECTS

FL021750Y Nassau THE TRIBUNE in English 29 Dec 77 pp 5, 14 FL

[Text] Kingston, Jamaica (CANA)--Jamaican Prime Minister Michael Manley has painted a picture of promising prospects for 1978, based on the foundations his government laid this year, despite a near frightening beginning.

Mr. Manley's assessment of just how well Jamaica did this year and what could be in store in 1978 came in a recent broadcast to the nation.

The new year's emphasis will be on cementing national unity and striving to increase production.

The year of review was in fact the first year of Mr. Manley's People's National Party's second term, following its overwhelming election victory of December 1976.

Said he: "The people had the chance to make their choice against the background of two sets of experiences: on the one hand, we had been on the old path for 300 years. On the other hand, there was the new path which we had just set out upon for five years."

Mr. Manley told of what a terrible year 1977 has been for Jamaican tourism, of efforts made to frustrate the development of the Jamaica end of a bauxite project involving Mexico and Venezuela, and of adverse domestic spill-offs from the world economic problems.

However, Jamaica had managed miraculous success in slashing its balance of trade deficit, had laid the foundation for a production take-off in 1978, formulated a five-year economic development plan for implementation in April, helped advance moves towards a new economic order through the International Bauxite Association (IBA)...and in the worrying feature of rising crime, had accelerated the process of dealing with the lawless elements.

Mr. Manley continued in the broadcast:

'1977 has been one of the toughest years we have ever had to get through. Crime is once again a serious problem and we have recently given deep thought to a new set of strategies which will have to be the subject of an all-out drive in 1978. We are paying very special attention to the awful problem of rape in this effort.

Recently the opposition has made a number of suggestions in this area which we have been glad to incorporate in the new plans. We extend our deepest sympathy to the families and relatives of all those who have been the victims of criminal violence or personal abuse.

The government, indeed the entire nation, shares your sense of grief and we assure you of our sincere commitment to rid the society of the evil in our midst.

To this end, we have recently instituted a number of further measures. Among other things, we have significantly increased the presence of the security forces on the streets, particularly in the corporate area, and this has resulted in a decrease in violent crimes in the past five weeks.

In terms of detection, we are re-organising the Criminal Investigation Department and to this end, we have reached agreement for assistance from the Royal Canadian Mounted Police.

At the legislative end, we will soon introduce the bill dealing with abolition of preliminary inquiry so as to speed up the time between arrest and trial. We will also amend the Gun Court Act to empower a judge to convict on a substantive offence even when the accused has not been proved to have used a firearm in committing the offence.

And we will also pass legislation to have mandatory life sentence for rape where a weapon is used in committing the offence or where a group is involved.

In the final analysis, however, the key to the solution is prevention. To that end we plan to improve the efficiency and effectiveness of the police force by establishing a police college to provide more modern and scientific training.

At the same time, we have been deeply concerned about unemployment and the suffering which it causes particularly among women and the youth.

It was very difficult to do as much about this as we would have liked in 1977 because of the severe financial pressure on both the government and the nation throughout this period.

Once again, this has to be one of the top priorities of the five-year economic and social development plan which is to begin in April of next year.

In the meantime, let us have a look at some of the things that have been achieved this year in spite of our difficulties.

This is important because the opposition press has intensified its campaign of negativism and now even hate, in their determination to undermine the confidence of the majority of the people, their confidence in themselves and in their capacity to build a self-reliant, independent society based upon broad participation in decision-making at every level of the economy and society.

But worker co-operatives, community councils, the state trading corporation, pioneer farms, worker participation and all the rest are not going to fail, because Jamaica will not go back to the days when our economic affairs were really run by a small minority behind closed doors.

I will start with the economic field because this has been the source of our national troubles since the world inflation and oil price crisis begun in 1973.

Whatever else that crisis did, it brought home to Jamaica finally that a nation is just like a family: it cannot live above its means.

We had been doing this ever since independence and getting away with it because of the accident of favourable world conditions and a period of heavy expansion in the bauxite industry.

When hard times came to the world, it revealed the dangerous way that Jamaica had been allowed to ignore the hard economic realities of our situation in the first 10 years. We had been living with a heavy adverse balance of trade: that is to say, we had been spending far more on what we bought abroad than what we were farming abroad.

This year in spite of high prices abroad, the slow-down in the world aluminum industry and the terrible year for tourism, we have been able to achieve a success in our balance of trade that is nothing short of a miracle.

For example, whereas in the first nine months of 1976 we spent 201 million dollars (J) more abroad than what we earned abroad, in the same period this year we were able to reduce that deficit to only 16 million dollars.

And that is very important because nearly half of this improvement was due to improvement in our exports. The other half of course was achieved by collective national sacrifice by tightening our belts and cutting out all unnecessary luxuries from abroad.

On the production front, we have made real gains in production for exports and in domestic agriculture: And I think that we can confidently say that we have laid the foundation for real addition gains in production in the tourism and the bauxite industry next year. Special efforts are being made to get construction rolling next year.

We have taken the fundamental step to lay the foundations for the State Trading Corporation which is designed to ensure that our imports from abroad are carried out in the interests of the majority of the people.

The State Trading Corporation will ensure, as time passes, that we are able to look for the cheapest sources of supply, it will enable us to buy in bulk, it will enable us to enter into long-term contracts for supplier credit with friendly governments, it will enable us to make new arrangements where sometimes we may get things that we need from abroad and be able to pay for them with our own products like bauxite and alumina.

Obviously, it will take time for the benefits to be felt, but it represents one of the most decisive steps taken to create an economy that is designed to serve the interests of the majority of the people.

Naturally, it will work in close co-operation with the existing organisations that deal with distribution, it will be able to give special attention to the needs of small businessmen, and it will be introduced in a careful manner to ensure that we do not try to do too much before we are ready.

In the field of labour legislation, there have been great new steps forward. Before this year if a company went out of business and owed money to various groups including its own workers the workers claims always came at the bottom of the pile.

As a result, the workers who had carried the business through all the year on the backs of their labour got nothing and were treated as if they did not exist.

We have now passed a law that sees to it that money owing to a worker is a priority claim if the company goes out of business.

At the same time, companies sometimes close down without notice, so we are now drafting and will soon pass a law that requires a company which intends to close its doors, to give 60 days notice to its workers or pay them two months wages in lieu of that notice.'

DOMINICAN REPUBLIC

PRESIDENT BALAGUER ADDRESSES NATION AT YEAREND

FL301554Y Santo Domingo Radio Clarin in Spanish 0032 GMT 30 Dec 77 FL

[Yearend address to the nation by President Joaquin Balaguer on the occasion of the religious festivities and new year from the National Palace--live]

[Text] Compatriots: It is not customary for me to come before these cameras to address my compatriots on the occasion of Christmas and the new year. The congratulations and good wishes usually expressed on occasions such as these are always meant to be a simple courtesy which, as such, takes away some of the meaning from the most sincere well wishes and from the deepest felt words. But in this hour of tension, created by an upcoming election, when there are political groups in the country determined to foster the impression among the citizenry that we are facing a catastrophe, I feel it is my duty to take a stand against those hoaxes to warn my compatriots and encourage them with a voice of faith and a word of hope.

I congratulate you on the occasion of the year 1978 which is about to begin. I exhort you simply to continue to work as you have been doing since 1966 for the good of the fatherland and for the unity of the Dominican family. Have no fears with regard to the year 1978. This will be a year during which, as in the previous 11 years, we will continue to work without rest for the well-being of the fatherland, for the good of the republic, and there will be no obstacle that will make us drop from our hands the tools with which we are forging the future of the Dominican Republic.

The year 1977 has been the most fruitful of the work that began in the year 1966. The nation's economic, fiscal and financial balance during this year has been highly positive. The government has devised a strict control both over the foreign public debt and the national budget. Thanks to that cautious policy, the country has been able to avail itself of more resources in 1977 than it did in previous years. Instead of frightening us, the difficulties have stimulated us. We are continuing to advance in the fulfillment of all government programs and, in carrying them out, we have had the full support of all willing men and women. Contrary to what occurs in other countries, including many of our own area, we continue to advance. Our economy develops without major stumbling blocks. Both the public and private sectors are developing their activities with increasingly more vigor.

However, the opposition groups do not stop in their effort to describe the country's situation in gloomy terms, at times disastrous. Right now, just as a scarecrow used to frighten children, the opposition uses the decline in the price of sugar to sow distrust in the country's consciousness. This pessimistic, negative attitude is directly opposed to the eminently constructive one of the most authoritative international organizations, which speak about the fiscal and monetary situation of the Dominican Republic in exceptionally flattering terms.

During the last meeting of the International Monetary Fund [IMF], where the situation of all the countries of the world is usually examined, very particularly those of Latin America, an analysis was made of the Dominican Republic's fiscal and monetary situation which should be welcomed with satisfaction and pride by all Dominicans.

All the executive directors who participated in that IMF meeting, including the Canadian, German and North American, referred to our country's fiscal and monetary policy by specially pointing out the success it has achieved despite the decline in the price of sugar, and they very significantly laid stress on the pace maintained by the government in that policy and the level attained despite the reduced exports.

Referring to the Dominican situation, Mr (Casper), among other analysts, made the following statement in the most explicit terms: I quote: What the Dominican Republic has obtained by adapting itself to the situation abroad is simply impressive. Even though a cautious policy has been followed, the rate of growth of the real product has been as good as it could have been under a prudent policy which guarantees continuity. End of quote.

From the announcements made by the IMF and the positive results of the year 1977, we can reach the conclusion that there is no crisis that the Dominican Republic is not able to face with success. This is the result of the degree of development attained by the country and of the status of our economy, which is fundamentally healthy.

My new year message to my compatriots can be summarized as follows: The Dominican Republic is serenely moving ahead toward the future and nothing, and no one, will be able to impede the historic goal it has been seeking since 1966 through progress, peace, democracy and freedom. God will be with us in 1978, just as he has been with us since 1966, and he will see to it that all Dominicans--even Dominicans who have been frustrated by their lack of faith in themselves and in the fatherland's well-being--join us based on an effort of conciliation to continue to follow together the path illuminated by our North Star--the Virgen de la Altagracia.

GUYANA

COOPERATION COMMISSION SET UP WITH INDIA

FL031430Y Port-of-Spain TRINIDAD GUARDIAN in English 30 Dec 77 p 2 FL

[Text] Georgetown, 29 Dec: Guyana and India today exchanged letters, setting-up an inter-governmental joint commission for economic, scientific and technical co-operation between them.

The body will provide the basis for the formulation of specific programmes of economic, trade, scientific and technical co-operation, an official Guyana statement said afterwards.

The commission had been hinted at by the minister of state in India's External Affairs Ministry, Mr Samarendra Kundu, while on a brief visit to Guyana mid-November.

The commission will be headed by one minister from each side and will meet yearly and alternately in Guyana and India.

It will be able to hold extra-ordinary sessions by mutual agreement and will work out the details of the co-operation of the two countries in various fields for ratification by the two governments.

The commission will also have power to set up subcommittees at the level of officials, the statement said.

It also gave a run down of co-operation between Guyana and India so far, namely in the establishment of a bicycle assembly plant, a leather tannery and a boot and shoe factory in Guyana.

Collaboration

In addition, discussions have taken place and studies carried out to explore the possibility of further collaboration of a similar nature.

Under consideration are a composite textile mill, a mini-steel mill, a cement grinding and packing plant, a truck and bus assembly operation and a paper recycling and conversion establishment.

Also under study are industrial estates and a technical documentation centre.

MINISTER SAYS COUNTRY TO CONTINUE INDEPENDENT POLICY

FL031300Y Havana Domestic Service in Spanish 1145 GMT 3 Jan 78 FL

[Text] Guyanese Foreign Minister Frederick Wills has declared that his country will continue in 1978 its independent foreign policy and will lay greater stress on its anti-imperialist and nonalined line. In a press conference, the Guyanese leader categorically stated that Guyana's foreign policy will not undergo changes in the future and termed it a policy of continuity.

Wills added that the country's and its citizens' prestige abroad is the result of the policy that has been followed by the Guyanese Government, which broadens its relations with other countries, such as the Soviet Union, and its participation in the movement of nonalined countries. He stated that the nonalined countries' movement should be strengthened and, in addition, should play a role of bridge between Latin America and the countries of Asia, Africa and the Caribbean. He also stressed the importance of the organization's future meetings of ministers and chiefs of state.

HAITI

DUVALIER ANNOUNCES HAITIAN-STYLE DEMOCRACY

PA032011Y Paris AFP in Spanish 2341 GMT 2 Jan 78 PA

[Text] Port au Prince, 2 Jan (AFP)--The installation of "an authentic Haitian-style democracy, without the influence of imprecise and imported schemes," was expounded today during a radio and television speech by President Jean Claude Duvalier to all of Haiti. In a speech in which ancestors were referred to, the president said that "the principle of democratization and progressive liberalization will allow the true rebirth of the most remote corners of the nation."

Duvalier stressed that historically "Haiti has no lesson to learn from anyone as far as human rights are concerned," emphasizing "the principle of nonintervention in the domestic affairs of other countries." After placing Haiti in the area of the Third World, the president said that following Cuba's example, the neighboring countries of the Caribbean are signing agreements with Haiti regarding the delimitation of maritime rights.

He also announced the forthcoming signing of an agreement with the Dominican Republic, with which Haiti shares the island of Hispaniola, for the construction of a dam on the Pedernales border river, located in the southeast of the island.

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